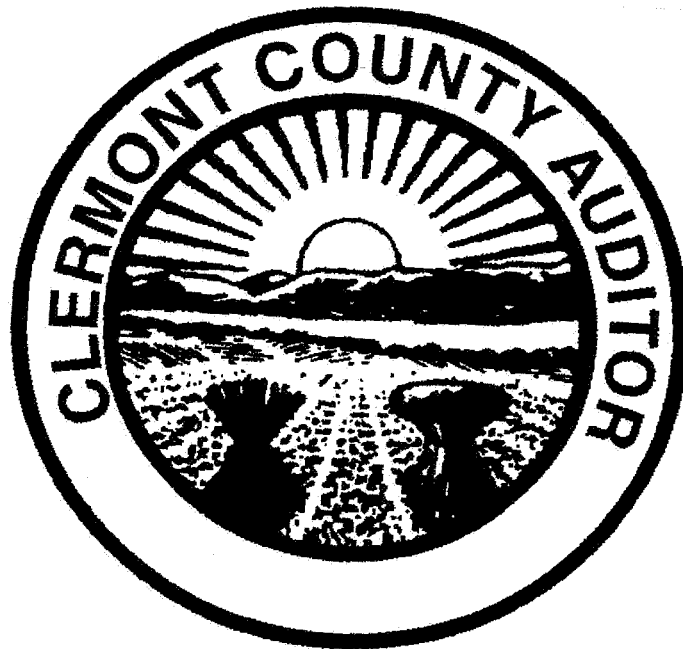


# **CLERMONT COUNTY, OHIO**



**LINDA L. FRALEY, AUDITOR**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Year Ending December 31, 2003



**CLERMONT COUNTY,  
OHIO  
COMPREHENSIVE ANNUAL  
FINANCIAL  
REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2003**

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Clermont County Auditor

**Prepared by the Clermont County Auditor's Office**

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**CLERMONT COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2003**

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## **INTRODUCTORY SECTION**



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**LINDA L. FRALEY**

*Clermont County Auditor*

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101 E. Main Street  
Batavia, Ohio 45103-2961

To the Citizens and Board of Commissioners  
of Clermont County, Ohio:

May 28, 2004

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for Clermont County, Ohio. This report, for the year ended December 31, 2003, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County. The responsibility for the accuracy of all data presented, its completeness and fairness of presentation rests with the County Auditor's Office.

This report presents the financial activity of the County in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and is consistent with the new reporting model as promulgated by GASB Statement No. 34.

The CAFR is organized in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section contains a letter of transmittal, organization chart, list of elected officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2002 CAFR. The Financial Section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section provides selected financial, economic and demographic information which may be used to indicate trends for comparative fiscal periods.

The County of Clermont is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, Audits of State and Local Governments. Information related to this single audit, including a schedule of federal financial assistance, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

While this report accurately presents the financial statements and statistics of Clermont County, it only reflects a small segment of the entire community - a community that includes many businesses, quality school systems, a fine park district, library system, Clermont College (a branch of the University of Cincinnati) and several industrial parks.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Clermont County's MD&A can be found immediately following the Independent Accountants' Report.

## **REPORTING ENTITY**

The County was formed by an action of Arthur St. Clair, the first governor of the Northwest Territory in 1800. The elected three-member Board of County Commissioners functions as the legislative and executive branch of the County. Each commissioner serves a term of four years. In addition to the County Auditor, who serves as chief fiscal officer, there are seven other elected administrative officials, each of whom operate independently as set forth by Ohio law. The officials are: Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. All of these officials serve four-year terms. The following judges are elected on a countywide basis to oversee the County's judicial system: Three Common Pleas Court Judges, one Domestic Relations Court Judge, one Probate/Juvenile Court Judge and three Municipal Court Judges. Judges are elected to six year terms.

The County provides general governmental services to its citizens which include: tax collection and distribution, public assistance, health assistance, community related services, civil and criminal justice systems, road and bridge maintenance, sewer and water line construction and maintenance and other general administrative support services. The County also operates water supply and sewer treatment systems.

The County's reporting entity has been defined in accordance with Governmental Accounting Standards Board Codification, Section 2100. The financial statements contained within this Comprehensive Annual Financial Report include all funds, agencies, boards and commissions for which the County elected officials are financially accountable. A complete discussion of the County's reporting entity is provided in Note A to the basic financial statements.

## **ECONOMIC CONDITION AND OUTLOOK**

### **Summary of Local Economy**

Clermont County continued its position of rapid growth in 2003. Woods and Poole, Inc. based in Washington, D.C., ranks Clermont County third in projected population growth in Ohio for the period 2000-2010, as compared to the other 88 counties in the state. Over the past six years, Clermont County has consistently been one of the fastest growing counties in Ohio, with a population exceeding 191,000. Woods and Poole continues to project that Clermont will be the 5<sup>th</sup> fastest growing County in employment in the State through the year 2025 with a growth rate estimated at 1.72% annually. Growth components in which Clermont has consistently been at or near the top among Ohio counties include:

1. Population Growth
2. New Housing Starts
3. Retail Sales Growth
4. New Business Start Ups and Formations
5. Patent and Copyright Registrations

Woods and Poole, Inc. also projects Clermont County to be the third fastest growing County employment-wise in the State through the year 2005. The County unemployment rate of 6.3% at December 31, 2003 compares to 7.0 % for the State of Ohio and 6.3% for the United States.

The Clermont tax base includes 56 companies with 100 or more employees including Cinergy Corporation (Greater Cincinnati) - 4,700 employees, Cincinnati Bell Telephone (Greater Cincinnati) - 2,700 employees, Batavia Transmissions LLC - 1,401 employees, 3M Precision Optics - 1,175 employees, The Midland Company - 1,100 employees, and International Paper- roughly 750 employees.

Clermont County has experienced substantial growth in the last two decades, aided by the completion of I-275 and the opening of I-471 between I-275 and downtown. With the increased accessibility, a probusiness environment and an abundance of low-cost available property, Clermont County continues to flourish in residential and commercial growth.

Clermont County's economy has experienced relative growth within the Cincinnati metropolitan economy. While the retail and service sectors have grown significantly, Clermont County still has a healthy industrial base. Currently there are more than 6,325 businesses located in Clermont County including 1,956 service businesses, 1,427 retail and wholesale enterprises, 793 construction related business and 337 manufacturing companies. Some of the largest employers in the County are Batavia Transmissions LLC, which operates an automotive transmission plant; 3M Precision Optics, a producer of optical lenses microscope lenses and flat screen televisions; Milacron, a producer of plastic machinery parts; Cinergy, a provider of utilities in the area; Clermont Mercy Hospital, which provides medical services for residents of the County; Midland Company, a major national insurance provider/underwriter; Electronic Data Systems (formerly Structural Dynamics Research Corporation -SDRC) an engineering firm specializing in computer software design work; and International Paper. Many of the major employers in Clermont County are located in the western parts of the County in close proximity to Cincinnati. In the late 1980's and 1990's new office parks, shopping centers, and residential developments began to appear near the intersection of I-275 and State Route 32, the Appalachian Highway.

Park 50 TechneCenter has brought the County the distinction of having the largest high-tech research park in Ohio. Park 50 consists of more than 1.5 million square feet of office and research space housed in 32 buildings. The development is located on a 455-acre campus located at the intersection of I-275 and U.S. 50. Total employment in the park is more than 3,800. Since the first building in the park was occupied in 1978, it has grown to more than 145 companies. More than 50 percent of these are high-tech companies, including Electronic Data Systems (formerly Structural Dynamics Research Corporation -SDRC), Siemens, CIMX Scanner Applications, Computer Technology Corporation, International TechneGroup Inc., PPG, MANTA Engineering, Rockwell Automation, Entek and Accu-Med Services. Park 50 also includes companies such as Bigg's Hyper Shoppes, Philip Morris, Union Carbide Corporation, Dow-Corning, and banks, insurance companies, brokerage companies and investment management firms. Park 50 TechneCenter development is also located within an Enterprise Zone.

Tipton Associates is also developing the Wards Corner Business Park. The parcel covers 77 acres, on 46 acres of which International Paper's world class research and development center is located. This center was completed in July 1997 and has resulted in more than 600 new jobs being brought to Clermont County. International Paper completed construction in 2002, on a new 85,000 square foot information technology center. An additional 15 acres has been developed with a 150,000 square foot executive building for Indiana Insurance. In 1999, the Attachmate Corporation completed a 54,000 square foot building and brought 200 employees to the area however, in 2003 the offices have been closed. Five other buildings at this location vary from a class A office building (Lakeside Center) to several flex buildings housing office, light manufacturing, sales and distribution firms. An adjacent retail center has restaurants and retail shops. In addition, a new 85 room Hilton Garden Hotel recently opened in the vicinity.

The largest employment center in Clermont County is the Bach-Buxton, McMann, Clough Pike business corridor. Large employers in this area include Midland Companies, 3M Precision optics, KDI, Sun Chemical, Rockwell Automation, Multi-Color, Tri-State Fabricators, Key Resins, Q.C. Industries, and others. Employment, more than 4,000 in this area, is growing rapidly with recent infrastructure improvements.

Clermont County has a large and growing retail base. Eastgate, at the intersection of I-275 and State Route 32, development continues at a rapid pace. The Eastgate Mall contains about 60 smaller shops and merchants. The mall has four large department stores as anchors: JCPenney, Sears, Dillard's, and Kohl's. In 2003, the mall began an \$18 million dollar renovation project. Bigg's Place mall recently completed a \$ 6 million dollar upgrade. Large discount retailers have located in the County to take advantage of the rapid population growth, housing increases and strong community demographics. These include companies such as Office Max, Circuit City, HHGregg, Wal-Mart, Meijer, Value City, Home Depot, Lowe's, K-Mart, Sam's Club, Dick's Sporting Goods, Best Buy, Michaels, Hobby Lobby, Bigg's, Garden

Ridge, Rhodes Furniture Gallery, Sofa Express, PetsMart, Toys R' Us, Mazel's, Furniture Fair; Borders, Big Lots, Frank's Nursery, Kroger, Thriftway, Furniture Fair, Oak Express and others.

Eastgate Pavilion, another retail shopping center on Eastgate Boulevard, was constructed and opened in 1995. This development includes a Value City department store, Dick's Sporting Goods, Best Buy appliance store and PetsMart.

A second major and growing retail location is the Mulberry Square Shopping Center, developed by the Myers Cooper Company. Anchors in this shopping center off State Route 28 are Kroger's and Sears. This center plus a Meijer's Square Store across the street with complementary retail establishments total over 530,000 square feet. Adjoining this development will be approximately 200,000 square feet of office space as well. A new Home Depot Store completed in 2000 was added to the retail area as well as an Applebees and O'Charley's restaurants. A new Kohl's department Store was constructed in 2003.

The Clermont County Airport Industrial Park has 22 firms with over 1,500 employees. The airport area has another 170 acres immediately available for development with access, utilities and zoning appropriate for a variety of uses. Sporty's nationwide aircraft pilot supply catalogue house is the largest employer in the complex. Sporty's, with 120,000 square foot facility for sales and distribution, offers a full line of air services such as flight school, charters, fuel, equipment, repairs and maintenance. It is the largest supplier of private pilot goods and materials in the United States.

Light industries representing a diversified mix of local, national and foreign concerns are located in the County including Ellis & Watts ( a subsidiary of Dynamics Corp of America), 3M Precision Optics, KDI Precision Products, Q.C. Industries, EEI, Inc, A&A Safety, Inc., General Data Company, LeBlond Makino, Southern Ohio Manufacturing, Sano, Mobilized Systems, Automated Machinery, Rockwell Automation and Tri-State Fabricators and Batavia Transmissions LLC, a joint venture between Ford Motor Co. and ZF, Friedrichshafen AG a major supplier of high quality, high technology transmissions. In 2003, Ford Motor Co. regained the majority share of the partnership. The partnership invested over \$650 million in the existing transmission plant, and increase of employment to over 1500 at the end of 2003.

Clermont County Milford Commerce Park is a 250 acre mixed business development, which is designed for office, research, hotel, and light industrial purposes and it currently includes the Clermont Chamber of Commerce, Kerry Dodge, Husky Injection Molding, Scanner Applications, Tri-State Juice Company, Walton Foods and New Creative Enterprise. The Parks' River's Edge complex is home to a \$14,000,000, 16 screen National Cinema complex as well as retail and restaurant facilities including Texas Roadhouse, United Dairy Farmers, Target Department Store, Ruby Tuesday Restaurant, Wendy's, Gold Star, Cracker Barrel Restaurant, Buffalo Wild Wings and a Red Robin Restaurant.

Another area of significant economic activity is located in the Village of Williamsburg and Williamsburg Township. Milacron, Georgia Pacific and Dualite, Inc. are large employers in this part of east-central Clermont County. An application for foreign trade zone designation by Milacron for a 360 acre area was approved in 2000.

The largest number of businesses are located in the areas of Union, Miami, and Batavia Townships because of inherent economic advantages such as close proximity to I-275, a major regional highway that provides ready access to the Cincinnati/Northern Kentucky International Airport, the City of Cincinnati and major regional arterial highways. These established centers also have access to all major utilities and infrastructure necessary to support larger development projects.

Since the inception of the Rural Enterprise Zone Program, Clermont County has granted 143 tax abatements to attract new employment and capital investments. These 143 transactions have generated more than 6,308 new jobs, retained more than 15,780 jobs within the community and have resulted in more than \$2.0 billion being invested in Clermont County.



## **Future Economic Outlook**

Although the County has experienced growth in key economic development factors, current economic indicators show that the current economy will remain sluggish. It is anticipated that the local economy may swing into an upstart dependent upon rates remaining low and an increase in corporate consumption. Given these conditions, the County maintains an ultra conservative approach to spending while maximizing its local revenues. We anticipate over the next year a flattening or decrease in sales tax revenues given the current economic indicators for this region. We also feel that the County will have to review alternative methods of intergovernmental funding. Since the State of Ohio's fiscal condition continues to flutter, the County's portion of state-based program revenue may also be affected by these economic conditions.

Given these factors, Clermont County's General Fund year end fund balance continues to remain steady. The County continues to maintain a General Fund balance that should allow the County to meet its General Fund expenditures without facing shortages in resources. As a result of prior years' conservative spending and steady fund balances, the County was able to create a Budget Stabilization fund in 2002 to safe guard against future economic factors. The \$27.6 million unreserved fund balance on the modified accrual basis of accounting at December 31, 2003 represents approximately 60% of 2003 General Fund expenditures and other financing uses.

The real property tax revenues of the General Fund are derived entirely from inside millage (unvoted millage). The revenue structure of the General Fund is balanced so that the operation of the County is not overly dependent on one specific revenue source. This diversified revenue stream has provided an equitable means of generating revenues necessary for the operation of the offices administered by the elected officials, as well as for mandated contributions for welfare costs and discretionary grants to certain County organizations and special districts.

With the diverse Southwest Ohio economy, the prospects for 2004 and beyond still look promising. Clermont County's inclusion in the Greater Cincinnati Metropolitan area has been a key factor in the population growth that has been experienced in the past two decades. The County will continue to provide this area with an environment that offers the benefits of small town and/or country living within minutes of a large urban environment.

## **MAJOR COUNTY INITIATIVES**

### **Current Year Projects**

**Auditor:** The Clermont County Auditor's office continued to support the strong real estate market in Clermont County. In 2003, the taxable value of real estate increased 3.3% to \$3.24 billion dollars, due primarily to new construction totaling \$102 million. Over 11,400 real estate parcels were conveyed with \$91 million dollars paid to sellers. The Auditor real estate website, a comprehensive source of property, tax, and land information, had 60,000 on line visits per month in 2003. All property owners can view real estate valuation information via the Internet at [www.clermontauditorrealestate.org](http://www.clermontauditorrealestate.org).

**Animal Control:** A new 10,750 square foot animal shelter opened in 2003 at 4025 Filager Road in Batavia. The \$800,000 facility is twice the size of the old shelter. This shelter was critically needed to handle the increasing pet population that in 2003 swelled to 5,844 stray animals. For information on adopting a pet, call the Animal Shelter at 732-8854 or visit their website at [www.animalshelter.com](http://www.animalshelter.com).

**Permit Central :** Looking to the future, the Clermont County Board of Commissioners approved a recommendation by the Building Inspection Department to approve the Clermont County Phase II Storm Water Management plan for coverage under Ohio EPA's Storm Water Permitting program. This action grants Clermont County full authority to exercise all enforcement in the communities within "urbanized areas". To further enhance operations, on November 25, 2003, the Commissioners approved an agreement between Clermont County and Hansen Information Technologies relative to handheld computers. These handheld devices will be used by our field inspectors, and are expected to enhance

our inspection operation with better efficiency and expertise in the field and the office. In an effort to better serve our public in 2003 and beyond, Permit Central is sharing employees with the county's Sewer & Water Department. These shared employees are responsible for WMSC (Water Management & Sediment Control) and Water and Sewer reviews, WMSC inspections, and inspections of the water and sewer systems for commercial sites and subdivisions.

### **Department of Job and Family Services**

**Children's Protective Services:** In 2003, Clermont County Children's Protective Services (CPS) had many significant accomplishments. CPS received a \$10,000 faith-based grant to recruit new foster parents and as a result, CPS licensed 25 new foster homes. The supervisor for the Permanency Planning Unit was nominated by her staff and was awarded the Supervisor of the Year award by the Public Children Services Association of Ohio. In addition, one of the families involved with CPS received the Family of the Year award. CPS collaborated with Clermont County Juvenile Court, Clermont County Mental Health and Recovery Board and Child Focus, Incorporated to have a statistical analysis completed so that these agencies can work together to reduce the rising placement costs.

**Child Support:** Child Support Enforcement collected an all time high of \$35,292,583 and now accepts credit cards as a form of payment for child support obligations. Our Child Support Department received a national achievement award from the National Association of Counties (NACo) and a State Best Practice Award from the Ohio Family Support Association for the Career Opportunities Program.

**Employment Services:** During 2003, the Employment Services Division of the Clermont County Dept. of Job & Family Services provided medical, nutritional, Child Care, financial and job support services to thousands of Clermont County citizens. The ES Division was honored for accuracy in the Food Stamp program by the State of Ohio and collected more than \$200,000 in overpaid and fraudulently issued benefits.

**Workforce Development:** In October of 2003, Clermont County's One Stop operator, the Business and Workforce Resource Center (BWRC) opened in a new state of the art facility in the location of the former Family Fun Center near the Eastgate Mall. The public-private partnership model established between the Clermont County Department of Job and Family Services and Affiliated Computer Systems (ACS) provides an extensive array of services for job hunters and businesses alike. With its close relationship with the Clermont Chamber of Commerce and numerous other community partners, the BWRC is recognized as a premier One Stop operation in the State of Ohio.

**Fleet Maintenance:** In 2003 the Fleet Maintenance Department introduced a new Antifreeze Recycling Program that has proven to be very successful. The program has been offered to the residents of Clermont County so they may drop off any used antifreeze at the Fleet garage. The used antifreeze is then recycled and reused in County vehicles. To date, 100 gallons of antifreeze has been recycled from antifreeze that has come from county residents. All used antifreeze removed from County vehicles is also recycled and reused. In cooperation with Facilities Management, the final waste oil furnace was purchased and installed in 2003. The garage is now heated entirely on waste oil, at a savings of over \$5,000 per heating season.

**Mental Health and Recovery Board:** Responding to national, state and local concerns about suicides, the Clermont County Mental Health and Recovery Board initiated a Suicide Prevention Coalition in 2003 to address the issues in our community. A crisis hotline (528-SAVE) was launched in October 2003 to provide a 24-hour resource to local citizens coping with emotional problems. One Board-funded service, the Jail Diversion Program, was recognized in March 2003 by the National Association of Counties (NACo) as one of three best practices in the country, based on services provided and cost savings to the County.

**Department of Environmental Quality:** Clermont County continues to place a high priority on the protection of its natural resources. In 2003, the County completed a watershed management plan for the Lower East Fork and its tributaries. The plan includes information about resources in the watershed, existing water quality, and plans to maintain or improve stream conditions. This plan was one of the first in the state to be endorsed by Ohio EPA. Work also began on developing a similar plan for the East Fork upstream of Lake Harsha. Also in 2003, the County received a \$225,000 grant from U.S. EPA to assist in watershed management

Through education programs, volunteer clean-ups, and the use of community service crews, Clermont County continued to fight the problem of litter. Almost 200 programs addressing recycling, litter prevention and other environmental issues were given to County schools and other groups. The annual Clean and Green Neighborhood Clean-up and the East Fork and Ohio River Sweeps were held again in 2003, with a record number of participants for both the Clean and Green and East Fork events. In cooperation with the Clermont County Municipal Court, as part of the alternative sentencing program, offenders collected more than 75 tons of litter from County roadsides in 2003.

**Department of Community Planning and Development:** The Department of Community Planning and Development had a major role in the development of an aggressive, county-wide economic development strategy and the formation of a Community Improvement Corporation, which focus on bringing new job opportunities to Clermont County residents. Improving the County's future transportation alternatives in the focus of *Access Clermont*, a long-range transportation improvement initiative designed and conducted by Clermont County's Planning Department. Bringing together the talents and experience of environmental professionals and the business community, the Planning Department facilitated discussions that resulted in the creation of a 70-page *Guidance and Options for Greenspace Preservation* that Clermont County Community's can utilize to build local opportunities. In addition to these economic development, transportation, and environmental initiatives, the Planning Department has been working to create housing improvement program strategies and developing subdivision regulations that help to build a better future for Clermont County.

**Veteran Services:** On November 10, 2003, Veterans' Services and the Board of Clermont County Commissioners hosted a "Salute to our Military: Past, Present and Future." As a prelude to the event, thousands of local citizens signed two giant panels entitled the Clermont County *Wall of Words* to show their support for the many sacrifices our servicemen and women have made for our freedom. In addition, Clermont County hosted the Vietnam Wall Traveling Tribute in September 2003.

**Sheriff:** The Sheriff's office worked closely with Clermont County Emergency Management Association in the development of policy and training surrounding the readiness of Clermont County regarding homeland security. The Sheriff's office participated in several table top exercises to test knowledge and technical skills. The Sheriff's office continues to work in conjunction with County School Districts in enhancing student and staff safety. Originally trained in Quick Action Deployment (QUAD) in 2001, additional training was conducted in 2003 for all County law enforcement agencies in order to provide a uniform response to incidents involving school safety.

In 2003, the Clermont County jail became acclimated to the additions and renovations completed in 2002. The jail housed 7,236 individuals in 2003, an increase of over 9% from the previous year. This is the second consecutive year that the jail has experienced such an increase. In addition, the jail continued its compliance success with Ohio jail standards as inspected by the Bureau of Adult Detention.

**Water and Sewer:** In the past, the northern regions of the County have experienced low pressure and interrupted water service during peak demand. The construction of the Buckwheat 2 MG Elevated Water Storage Tank and the Buckwheat Road Water Transmission Main has helped to greatly reduce these occurrences. In addition, 2003 saw the construction of the Locust Corner 2 MG Ground Storage Tank and the beginning of construction for the Guinea Area 2 MG Elevated Water Storage Tank. Construction of the water storage facilities, as well as several miles of transmission main, have helped to ensure adequate supply of water for consumption and fire protection. The new tanks also provide sufficient storage to allow maintenance and painting of existing tanks, where renovation has been long overdue. 2003 saw the start of construction for the replacement of the Ranch Lane / Beechmont Subdivision Sanitary Sewer, which will help to eliminate sewer overflows and eliminate the Consent Order issued by OEPA. In addition, the Miami Trails Wastewater Treatment Plant and the Lower East Fork Wastewater Treatment Plant expansions were completed, adding 2.2 million gallons per day of new treatment capacity. Most notably, effective September 1, 2003, the Clermont County Sewer District reclaimed responsibility for the operation and maintenance of the County's sewer infrastructure. Prior, the operations were being managed by a private company.

**Office of Technology Communication and Security:** 2003 saw the County continue the implementation of the 800MHz Radio and Data network. Started in December of 1998, 2003 saw the continued deployment of Mobile Data Computers (MDC's) in law enforcement vehicles. In February of 2003, the ISD Training Center was opened. This in-house training center allows for cost effective software training for county staff. OTCS successfully staged the Second Annual Business Continuity & Response Plans Exercise with 16 departments or agencies participating. This was a table top exercise reviewing disaster recovery plans. Finally, the Clermont County On-line Auction went live which has eliminated the need for an annual auction and allowed for the continual disposal of items that the County no longer utilizes.

**Treasurer:** The Treasurer's Office collected \$153.6 million dollars in real estate taxes in 2003, \$1.3 million in manufactured home taxes and \$15.3 million in personal property taxes. A total of 23 real estate tax foreclosures were filed in 2003 and the county's real estate delinquency rate is under 2%. The County implemented the processes which allow citizens to pay taxes and fees using their credit cards via the Internet or telephone. Such a process gives citizens more flexibility and convenience in the payment of taxes and fees.

### **Future Projects**

The new Municipal Court Courthouse is still under construction with an anticipated completion date in the fall of 2004. The new courthouse will be a one-story building with five courtrooms and a one-stop facility for people paying traffic tickets, and for those in need of the public defender, prosecutor, mediation and other services. Plenty of parking will be available, plus enough ground to double the court space in time if needed.

A groundbreaking was held in June 2003 for a \$6 million addition to the Clermont County Juvenile Detention Center. This enhanced, larger juvenile detention center will provide the County's residents with enhanced public safety and the court with a greater opportunity to provide long range options for troubled youth. The new facility will contain 36 beds, which will increase Juvenile Court's options. The Court will be able to opt to institute 30-60-90 day programs to treat children locally, instead of sending them outside the County. The project was financed by bond proceeds and a \$2.2 million state grant from the Ohio Department of Youth Services. The detention center is expected to be completed by the fall of 2004.

In conjunction with the Help America Vote Act, in 2003, the Secretary of State of Ohio approved the application of the Clermont County Board of Elections for grant monies to replace its current voting system. The Help America Vote Act requires "uniform and nondiscriminatory election technology. The replacement of the voting system should be completed in 2004

## **FINANCIAL INFORMATION**

### **Accounting System and Internal Control**

The County's accounting system is organized on a "fund" basis. Each fund is a distinct self balancing accounting entity. The County's day-to-day accounting and budgetary records are maintained on a basis other than Generally Accepted Accounting Principles (GAAP). For financial reporting purposes, the accounting records are converted to the modified and full accrual basis for all applicable funds. On the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. On the full accrual basis, revenues are recognized when measurable and earned; expenses are recognized when incurred.

The basis of accounting and presentation of the various funds utilized by Clermont County are fully described in Note B of the basic financial statements. Additional budgetary information can be found in Note C.

In developing the County's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the costs of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The County utilizes an accounting system, as well as a system of control, for fixed assets and payroll. These systems, coupled with the auditing of each individual voucher prior to payment by the Auditor's office, ensure that the financial information generated is both accurate and reliable.

### **Budgetary Controls**

The Board of County Commissioners adopted the 2003 annual budget for the County in December, 2002. All disbursements and transfers of cash between funds require appropriation authority from the Commissioners. Budgets are controlled at the major object level within a department and fund. All purchase orders must be approved by department heads and submitted to the County Auditor for processing. The necessary funds are encumbered and the purchase order released to the vendors; those purchase orders which exceed the available appropriation are rejected until additional funds are secured.

### **Cash Management**

The County pools its cash to simplify cash management. All idle monies are invested, with the earnings allocated to the General Fund and other qualifying funds as prescribed by Ohio law. The County invests primarily in Certificates of Deposit, U.S. Government Securities, U.S. Government Backed Securities, Federal Agency securities, Mutual Funds, Repurchase agreements and the State Treasury Asset Reserve Program. Investments are reported at fair value which is based on quoted market prices. The County Treasurer makes such commitments of County resources only with federally insured financial institutions, and with the State of Ohio.

Certain deposits are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the County's name. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool with a current market value at least equal to 105% of all public monies on deposit with the depository established by the financial institution to secure the repayment of all public moneys deposited with the institution.

## **Risk Management**

Clermont County is continuing its efforts to use alternative coverage to get the maximum amount of insurance coverage for the minimum amount of premiums. In 2003, the County carried comprehensive general liability including law enforcement liability, blanket crime coverage, public officials liability insurance, fleet insurance, and a comprehensive boiler and machinery coverage.

Clermont County enforces a program permitting only those employees with "good driving records" to operate any County vehicle. An employee's driving record is validated through the Ohio Bureau of Motor Vehicles upon employment and is checked periodically after that.

The County maintains a Workmen's Compensation Fund for the administration of a Workers' Compensation program to reduce employee risk, decrease the County's workers' compensation liability and to measure and recover the cost of providing the program to departments of the County.

## **Health Benefits**

After ninety days of full time employment, each new employee is eligible for health care benefits provided by the County. The County has elected to provide employees major medical, vision and hospitalization through a self-insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Third party administrators, United Health and Dental Care Plus Insurance Companies, review all claims which are then paid by the County. The County purchases stop-loss coverage of \$100,000 per employee and an aggregate limit of \$1,000,000. The County pays into the self-insurance internal service fund \$735.96 for family coverage and \$283.56 for individual coverage per employee per month which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

## **INDEPENDENT AUDIT**

Included in this report is an Auditor of State unqualified opinion rendered on the County's financial position, and results of operations, as well as its existing assets and liabilities, as reported in the basic financial statements for the year ended December 31, 2003. An annual, independent audit of the County's financial statements is part of the annual preparation of a Comprehensive Annual Financial Report. This annual, independent audit continues to provide a review and comments which strengthen the County's accounting and budgetary controls.

## **GFOA CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to Clermont County for its comprehensive annual financial report (CAFR) for the year ended December 31, 2002. This was the seventeenth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certification.

### ACKNOWLEDGMENTS

Clermont County is proud to have been one of the first counties in Ohio to prepare a comprehensive financial report in conformity with generally accepted accounting principles (GAAP) and to implement the new reporting model as promulgated by GASB Statement No. 34 along with the precise guidelines established by the Government Finance Officers Association (GFOA).

The preparation of this report could not have been accomplished without the dedicated effort of a number of employees within the County Auditor's Office and the audit and local government services divisions of the Auditor of the State of Ohio. We also extend appreciation to the County's other elected officials and department heads for their contributions and continued support of this project.

I would especially like to recognize Charles F. Tilbury, Jr., Chief Deputy Auditor; Christopher T. Mehlman, Deputy Auditor of Financial Operations; Jennifer Drennan, Deputy Auditor of Special Projects and the County Auditor's finance department for their dedication toward the successful completion of this project.

Respectfully,

A handwritten signature in cursive script that reads "Linda L. Fraley". The signature is written in dark ink and is positioned above the printed name and title.

Linda L. Fraley  
Clermont County Auditor

**CLERMONT COUNTY, OHIO  
ELECTED OFFICIALS**

**BOARD OF COUNTY COMMISSIONERS:**

Mary Walker ..... President  
Robert L. Proud ..... Vice President  
R. Scott Croswell III ..... Member

**OTHER ELECTED OFFICIALS:**

Linda L. Fraley ..... Auditor  
David R. Caudill, Jr. .... Clerk of Courts  
Dr. Brian N. Treon ..... Coroner  
Patrick Manger ..... Engineer  
Donald W. White ..... Prosecutor  
Carolyn Green ..... Recorder  
Albert (Tim) Rodenberg, Jr. .... Sheriff  
J. Robert True ..... Treasurer

**TWELFTH DISTRICT COURT OF APPEALS:**

Stephen Powell ..... Presiding Judge  
Anthony Valen ..... Judge  
James E. Walsh ..... Judge  
William W. Young ..... Judge

**COMMON PLEAS COURT**

**General Division:**

Robert P. Ringland ..... Administrative and Presiding Judge  
Jerry R. McBride ..... Judge  
William Walker ..... Judge

**Domestic Relations Division:**

Michael J. Voris ..... Judge

**Juvenile and Probate Division:**

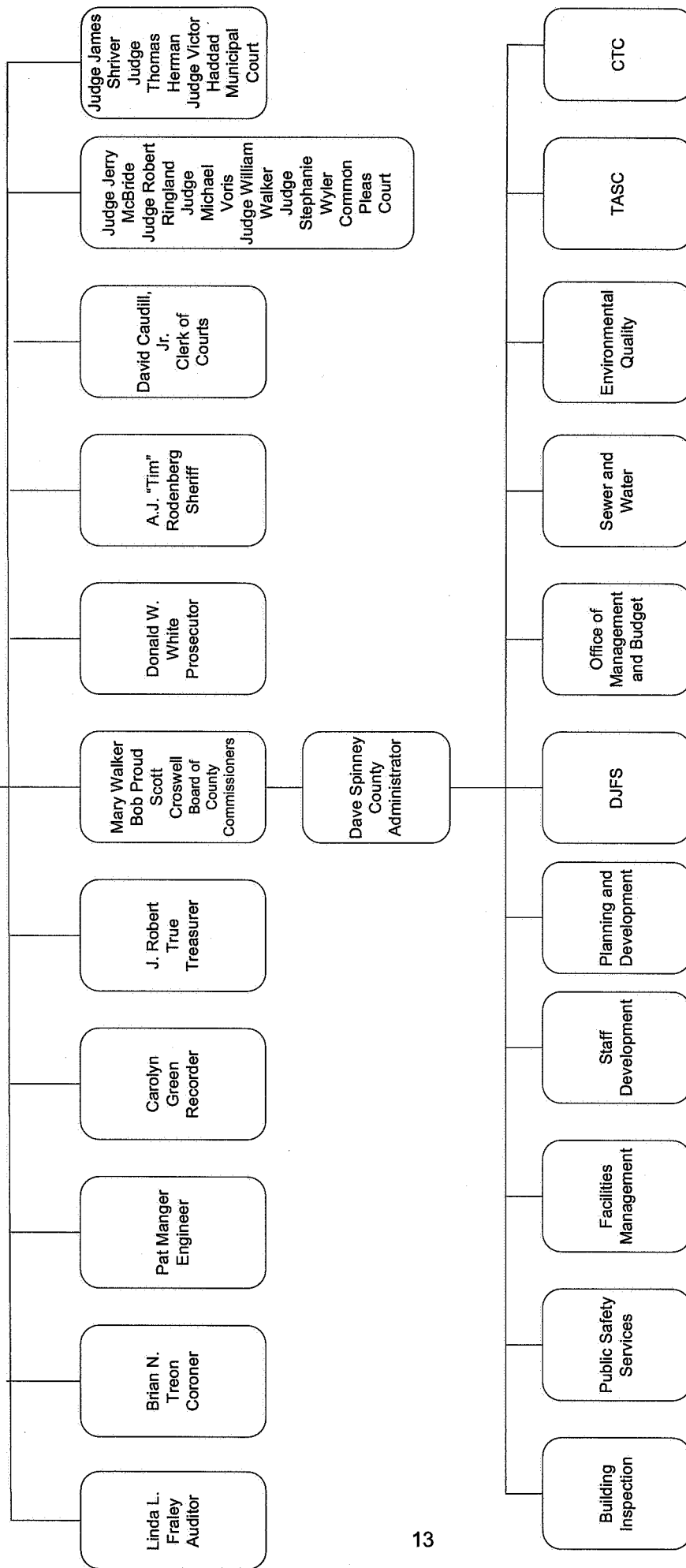
Stephanie Wyler ..... Judge

**MUNICIPAL COURT**

James A. Shriver ..... Administrative Judge  
Thomas R. Herman ..... Judge  
Victor M. Haddad ..... Judge



# The People of Clermont County



## County Commissions

Automatic Data Processing Board

Board of Elections

Board of Revision

Budget Commission

Record Commission

Veteran Service Commission

## County Boards and Affiliated Organizations

Alcohol Drug Addiction and Mental Health  
Clerco, Inc.

Metropolitan Housing Authority

Agricultural Society

Child Focus

Clermont County Law Library

Recovery Center

Soil and Water Conservation District

Bd of Mental Retardation & Developmental Disabilities

Convention and Visitor Bureau

Park District

Board of Health

Clermont County Community Services, Inc.

County Board of Education

Senior Services, Inc.

Adams, Brown, Clermont Solid Waste District

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Clermont County,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

## **FINANCIAL SECTION**





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Clermont County  
101 East Main Street  
Batavia, Ohio 45103

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio (the County), as of and for the fiscal year ended December 31, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clermont County Sewer District and the Clermont County Water District, which represent all the assets and revenues of the Business-Type Activities and the County Sewer District and County Water District major enterprise funds. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for the Business Type Activities and County Sewer District and County Water District major enterprise funds on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Social Services Fund, and Motor Vehicle and Gas Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2004, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

We performed our audit to form an opinion on the basic financial statements of the County, taken as a whole. The introductory and statistical sections, combining and individual fund statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 28, 2004

**Clermont County, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003  
Unaudited

The discussion and analysis of Clermont County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the County's financial performance.

**Financial Highlights**

Key financial highlights for 2003 are as follows:

- ☐ The assets of the County exceeded its liabilities at the close of the year ended December 31, 2003, by \$386.2 million (net assets). Of this amount, \$12.7 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors, and \$88.2 million is classified as unrestricted in the Water and Sewer activities.
- ☐ The County's total net assets increased by \$10.9 million, which represents a 2.9% increase from 2002.
- ☐ At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$61.6 million, a decrease of \$2.6 million from the prior year. Of this amount, \$51.8 million is available for spending (unreserved fund balance) on behalf of its citizens.
- ☐ At the end of the current fiscal year, unreserved fund balance for the general fund was \$27.6 million, or 60% of total general fund expenditures and other financing uses.
- ☐ Clermont County's total debt decreased by \$7.2 million which represents a 2% increase in debt related to governmental activities and a 8.9% decrease in debt related to business-type activities.
- ☐ In July of 2003, the County authorized the issuance of \$17.5 million in general obligation debt. \$16.3 was issued to refinance the 1993 Building and Road Improvement debt and Bond Anticipation Notes, and \$1.2 million was issued to finance the Stonelick-Olive Branch State Route 32 interchange project.
- ☐ Also in 2003, the County's Water and Sewer operations issued Waterworks System Revenue Refunding Bonds and Sewer System Revenue Refunding Bonds in the amounts of \$37 million and \$39.3 million respectively.

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Clermont County as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

**Clermont County, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003  
Unaudited

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column.

**Reporting Clermont County as a Whole**

**Statement of Net Assets and the Statement of Activities**

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the County's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of County capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the County is divided into three kinds of activities:

- ◆ Governmental Activities-Most of the County's services are reported here including police, social services programs, administration, and all departments with the exception of our Water and Sewer funds.
- ◆ Business-Type Activities- These services have a charge based upon the amount of usage. The County charges fees to recoup the cost of the entire operation of our Water and Sewer Plants as well as all capital expenses associated with these facilities.
- ◆ Component Units-The County includes financial data of the County Board of Mental Retardation and Developmental Disabilities (MRDD) and the Mental Health and Recovery Board (MHRB) in its report. The component units are separate and may buy, sell, lease and mortgage property in their own name and can sue or be sued in their own name.

**Reporting Clermont County's Most Significant Funds**

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the County's major funds.



**Clermont County, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003  
Unaudited

Based on restrictions on the use of monies, the County has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the County's most significant funds. In the case of Clermont County, our major funds are the General, Social Services, Motor Vehicle and Gas, County Debt Service, Judicial Projects and County Capital Improvements. The analysis of the County's major funds begins on page 23.

*Governmental Funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The nonmajor governmental fund financial statements can be found on pages 80-86 of this report.

*Proprietary Funds:* The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water and Sewer operations. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance, fleet maintenance, telephone company and worker's compensation programs. The proprietary fund financial statements can be found on pages 37-40 of this report.

*Fiduciary Funds:* Are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund financial statements can be found on page 41 of this report.

*Notes to the Financial Statements:* The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements begin on page 45 of this report.

*Other information:* In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules which begin on page 88 of this report.

**Clermont County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2003**  
**Unaudited**

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$386.2 million (\$159 million in governmental activities and \$227.2 million in business type activities) as of December 31, 2003. The largest portion of the County's net assets (60.2%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 provides a summary of the County's net assets for 2003 compared to 2002.

**Table 1**  
**Net Assets**  
(In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Assets</b>						
Current & Other Assets	\$104.9	\$108.1	\$99.4	\$100.3	\$204.3	\$208.4
Capital Assets, Net	<u>128.9</u>	<u>122.5</u>	<u>214.5</u>	<u>211.6</u>	<u>343.4</u>	<u>334.1</u>
<b>Total Assets</b>	<u>233.8</u>	<u>230.6</u>	<u>313.9</u>	<u>311.9</u>	<u>547.7</u>	<u>542.5</u>
<b>Liabilities</b>						
Current & Other Liabilities	(25.5)	(25.6)	(3.9)	(2.7)	(29.4)	(28.3)
Long-Term Liabilities						
Due Within One Year	(6.3)	(5.5)	(4.2)	(3.4)	(10.5)	(8.9)
Due in More Than One Year	<u>(43.0)</u>	<u>(42.6)</u>	<u>(78.6)</u>	<u>(87.4)</u>	<u>(121.6)</u>	<u>(130.0)</u>
<b>Total Liabilities</b>	<u>(74.8)</u>	<u>(73.7)</u>	<u>(86.7)</u>	<u>(93.5)</u>	<u>(161.5)</u>	<u>(167.2)</u>
<b>Net Assets</b>						
Invested in Capital	100.5	95.1	131.7	120.7	232.20	215.8
Assets Net of Debt						
Restricted:						
Capital Projects	19.5	23.7	-0-	-0-	19.5	23.7
Debt Service	5.4	5.6	7.3	16.4	12.7	22.0
Other Purposes	20.9	17.9	-0-	-0-	20.9	17.9
Unrestricted	<u>12.7</u>	<u>14.6</u>	<u>88.2</u>	<u>81.3</u>	<u>100.9</u>	<u>95.9</u>
<b>Total Net Assets</b>	<u>\$159.0</u>	<u>\$156.9</u>	<u>\$227.2</u>	<u>\$218.4</u>	<u>\$386.2</u>	<u>\$375.3</u>

**Clermont County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2003**  
**Unaudited**

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. In the current fiscal year, this represented \$53.1 million or 13.7% of net assets. The remaining \$100.9 million or 26.1% of net assets may be used to meet the County's ongoing obligations to its citizens and creditors and for Water and Sewer activities.

As of December 31, 2003, the County is able to report positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year. Total assets increased \$5.2 million overall. A \$9.3 million increase in net capital assets made up the majority of this change. Total liabilities decreased \$5.7 million which can be attributed to the issuance of refunding bonds during 2003.

Table 2 below provides a summary of the changes in net assets for 2003 compared to 2002

**Table 2**  
**Changes in Net Assets**  
(In Millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Program Revenues:</b>						
Charges for Services	\$22.9	\$21.4	\$24.3	\$25.5	\$47.2	\$46.9
Operating Grants, Contributions and Interest	34.3	30.8	-0-	-0-	34.3	30.8
Capital Grants and Contributions	5.5	5.5	7.8	8.0	13.3	13.5
<b>General Revenues:</b>						
Property Taxes	15.7	17.0	-0-	-0-	15.7	17.0
Sales Taxes	20.0	19.5	-0-	-0-	20.0	19.5
Other Taxes	.4	.3	-0-	-0-	.4	.3
Unrestricted Grants	5.9	5.9	-0-	-0-	5.9	5.9
Other	2.2	5.3	-0-	-0-	2.2	5.3
Water and Sewer	-0-	-0-	1.5	2.9	1.5	2.9
<b>Total Revenues</b>	<b><u>106.9</u></b>	<b><u>105.7</u></b>	<b><u>33.6</u></b>	<b><u>36.4</u></b>	<b><u>140.5</u></b>	<b><u>142.1</u></b>
<b>Program Expenses</b>						
<b>General Government:</b>						
Legislative and Executive	19.6	19.5	-0-	-0-	19.6	19.5
Judicial System	8.9	7.5	-0-	-0-	8.9	7.5
Public Safety	24.3	22.5	-0-	-0-	24.3	22.5
Public Works	13.4	7.1	-0-	-0-	13.4	7.1
Health	.8	.8	-0-	-0-	.8	.8
Human Services	29.9	28.3	-0-	-0-	29.9	28.3
Community Development	3.3	2.6	-0-	-0-	3.3	2.6
Transportation	1.8	1.7	-0-	-0-	1.8	1.7
Interest and Fiscal Charges	2.5	2.3	-0-	-0-	2.5	2.3
Water and Sewer	-0-	-0-	25.1	26.2	25.1	26.2
<b>Total Expenses</b>	<b><u>104.5</u></b>	<b><u>92.3</u></b>	<b><u>25.1</u></b>	<b><u>26.2</u></b>	<b><u>129.6</u></b>	<b><u>118.5</u></b>
<b>Increase in Net Assets before transfers</b>	<b><u>2.4</u></b>	<b><u>13.4</u></b>	<b><u>8.5</u></b>	<b><u>10.2</u></b>	<b><u>10.9</u></b>	<b><u>23.6</u></b>
<b>Transfers</b>	<b><u>(.2)</u></b>	<b><u>(.3)</u></b>	<b><u>.2</u></b>	<b><u>.3</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>
<b>Increase in Net Assets</b>	<b><u>\$2.2</u></b>	<b><u>\$13.1</u></b>	<b><u>\$8.7</u></b>	<b><u>10.5</u></b>	<b><u>\$10.9</u></b>	<b><u>23.6</u></b>

**Clermont County, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2003  
Unaudited

*Governmental Activities*

The legislative and executive programs of the County represent the activities related to the governing body and other elected officials in the performance of their primary duties and subsidiary activities. These activities directly support other programs of the County and service its citizens. In 2003, this represented 18.8% of the County's total expenses.

The County's public safety programs continue to review and manage the security of the County and its citizens with the utilization of the 800 MHz system, an upgraded 911 center and a better awareness for issues which pose threats to our safety in the current atmosphere of our ever changing world. Public safety programs increased spending by \$1.8 million after decreases in public safety services in 2002. The County's Sheriff's office and Board of County Commissioners strive to ensure that the public's safety is its first priority, whether that includes increased patrol, security for water and sewer functions, disaster scenarios, disaster recovery or expansion of existing jail facilities.

The County's Social Services programs increased its services in 2003, allowing individuals to benefit socially and economically. Social Services programs continue to be the largest program within the County. In 2003, program expenses increased by \$1.6 million, and the overall program represented 28.6% of the general government expenses. These increased services were funded in part by the 2002 Children's Services replacement levy and the 2002 Senior Services' replacement and additional levies. In addition, subsidies related to social services programs continues to be the County's largest intergovernmental contributions. Roughly 49% of the County's intergovernmental revenue is allocated to these programs. In 2003, these programs saw an increase of \$1.5 million as a result of additional program services and prior year deferrals.

The County's aggressive strategy to secure the maximum amount of grants and contributions that are provided by the state and federal governments continues to be productive. The County continues to explore and acquire new intergovernmental revenue streams while maximizing its current intergovernmental allocations to better address program needs. Grants related to the County's public works program, which included OPWC grants, federal and state highway safety and construction grants accounted for 28% of the County's intergovernmental revenue. A significant portion of these construction grants are in conjunction with the State Route 32/Olive Branch Interchange project and the Stonelick Williams Corner Bridge Project. To date, the County has expended over \$7.8 million on these projects. In addition, in 2003, the County spent \$1.5 million in federal dollars related to the Community Development Block Grant and Small Cities projects. Other significant grants include the Reclaim Ohio/Youth Services Subsidy which accounted for \$1.1 million, the Rural Transit Grant (Urban designation in 2004) \$.8 million and the TASC New Life grant.

*Business-Type Activities*

In 2003, the County's Water and Sewer Systems funds' operating revenues decreased by \$1 million, while total expenses decreased \$.7 million. The County's Water and Sewer operations recorded a decrease of \$.2 million in operating income from 2002, however, cash and cash equivalents had a net increase in 2003 of \$10.0 million. Capital contributions decreased by \$.2 million as a result of a reduction in donated assets during the year, and the amount of construction projects still outstanding at year end. Of the \$7.8 million capital contribution, \$2.4 million represented non-cash or donated assets.

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Management's Discussion and Analysis  
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In February 2004, the Clermont County Commissioners executed a resolution that would mutually terminate an agreement with Operations Management International, Inc. (OMI) to operate and maintain the County's water treatment facilities, water distribution system and water and sewer's billing services. In recent years the Clermont County Water operations have undergone significant changes in regulatory requirements, permit costs and repairs. These additional costs and resources were not specified in the original contract with OMI, and it would have necessitated the rebidding or reclaiming of the water operations by the County.

**Financial Analysis of the County's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$61.6 million. Approximately \$51.8 million of this amount constitutes unreserved fund balance, which is available for spending for its citizens. \$2.3 million of the unreserved fund balance is designated for budget stabilization. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year (\$9.6 million), and to account for the reservation of loans (\$.2 million). While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to their being restricted for use for a particular purpose mandated by the source of the resources such as the state and federal governments or a tax levy.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$27.6 million, while the total fund balance reached \$28.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 60% of the total general fund expenditures and other financing uses, while total fund balance represents 64.4% of that same amount.

The fund balance of the County's general fund stayed relatively the same during the current fiscal year with revenues exceeding expenditures by \$4.9 million a decrease of \$3.5 million from 2002. Key factors in this increase are as follows:

- The County's General fund government programs (legislative and executive and judicial) represent activities related to the governing body, judicial activities and other elected officials in the performance of their primary duties and subsidiary activities. These general government programs incurred cost increases related to activities that directly support other programs of the County and service its citizens.
- In 2003, the County recorded one of its worst investment years in recent years. Investment earnings fell \$1.9 million from 2002.

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In 2001, the County's Judicial Projects fund received \$10.9 million in bond proceeds for the construction of a new Municipal Court Building and renovations to the existing historic Courthouse. As of December 31, 2003, the County had expended roughly \$ 8.1 million in capital outlay related to these projects.

The Social Services fund reported a net change in fund balance in the amount of \$.2 million. This resulted from the deferral of revenue received from the State in advance of reimbursable program costs as a result of additional program services.

The Engineer's office has continued to expand its construction and improvement of County roads and bridges, and as a result expended an additional \$2.6 million more in 2003 than 2002. This was funded largely in part to an additional license tax specifically for the construction and improvement of the County's roads and bridges.

#### **General Fund Budgeting Highlights**

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2003, the County amended its general fund budget numerous times, the most significant noted below. All recommendations for the budget came from the Office of Management and Budget for review before going to the Board of County Commissioners for adoption of a resolution on the change. The Board of County Commissioners also approves small interdepartmental budget changes that modify line items within departments within the same fund. With the General Fund supporting many of our major activities such as our public safety programs, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments. A summary of noted differences and explanations:

- Overall, General Fund activities' budgets were increased \$.3 million, yet actual expenditures remained less than the original appropriation.
- Transfers out budget was increased significantly during 2003 to account for debt service charges, matching portion of grants, legal requirements and capital expenditures, however, none of the increase was utilized.

Once again, the County's elected officials and department heads worked with the County Commissioners to maintain effective programs for its citizens without significantly increasing expenditures related to its programs.

#### **Capital Assets and Debt Administration**

*Capital Assets:* The County's investment in capital assets for its governmental and business-type activities as of December 31, 2003, amounts to \$232.3 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, equipment and machinery, roads, highways, and bridges.

Note F (Capital Assets) provides capital asset activity during 2003.

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Major capital asset events during the current year included the following:

- During 2003, the Clermont County Engineer's Office continued its replacement and improvement capital plan by replacing several deficient bridges and completed several roadway improvement projects. The overall cost for these projects was \$5.3 million. Various funding sources were used including Ohio Public Works Commission (OPWC), Ohio Department of Transportation (ODOT), Board of Clermont County Commissioners, and the County Engineer's funds.
- In 2003, approximately 29 miles of County roads were paved at a cost of \$.9 million.
- Also in 2003, a new 10,750 square foot animal shelter opened at 4025 Filager Road in Batavia. The \$800,000 facility is twice the size of the old shelter. This shelter was critically needed to handle the increasing pet population that in 2003 swelled to 5,844 stray animals.
- The Stonelick/Olive Branch State Route 32 interchange project was complete in 2003 at a total cost of \$6.3 million.
- Received \$.9 million of waterlines from developers.
- Received \$ 1.5 million of sewer lines from developers.
- 2003, also saw the completion of the Buckwheat Road Storage Tank (\$2.6 million) and the Buckwheat Road Main (\$1 million) . These projects will aid the northern reaches of the County which has experienced low pressure and interrupted water service during peak demand in the past.

*Long-term Debt:* At the end of 2003, the County had general obligation debt outstanding of \$45.7 million. Of this amount, \$41.7 million comprises debt backed by the full faith and credit of the County, \$.3 million comprises of OPWC commitments to be repaid from MV&G funds and \$3.6 million is special assessment debt for which the County is liable in the event of default by the property owner subject to the assessment.

The County's long-term general obligation debt increased by \$.9 million or 2% during the 2003 fiscal year, and the County's Water and Sewer debt decreased \$8 million or 9%. In July of 2003, the County authorized the issuance of \$17.5 million in general obligation debt. \$16.4 was issued to refinance the 1993 Building and Road Improvement debt and Bond Anticipation Notes, and \$1.2 million was issued to finance the Stonelick-Olive Branch State Route 32 interchange project. Also, in 2003, the County's Water and Sewer operations issued Waterworks System Revenue Refunding Bonds and Sewer System Revenue Refunding Bonds in the amounts of \$37 million and \$39.3 million respectively.

The County maintains an Aa3 rating from Moody's for general obligation debt. State statute limits the total amount of debt a governmental entity may issue. The current unvoted debt margin for the County is \$12.9 million. In addition to the bonded debt, the County's long-term obligations includes compensated absences. Additional information on the County's long-term debt can be found in Note G of this report. Interest and fiscal charges for 2003, were \$2.5 million or 2.4% of the total governmental activities expenses.

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**Economic Factors and Next Year's Budgets and Rates**

Although the County has experienced growth in key economic development factors, current economic indicators show that the current economy will remain sluggish and as a result sales and property tax collections which the County relies on for roughly 57.6% of its operating budget may be adversely affected. It is anticipated that the local economy may swing into an upstart dependent upon rates remaining low and an increase in corporate consumption. Given these conditions, the County maintains an ultra conservative approach to spending while maximizing its local revenues. We anticipate over the next year a flattening or decrease in sales tax revenues given the current economic indicators for this region. We also feel that the County will have to review alternative methods of intergovernmental funding. Since the State of Ohio's fiscal condition continues to flutter, the County's portion of state-based program revenue may also be affected by these economic conditions.

Given these factors, Clermont County's General Fund year end fund balance continues to remain steady. The County continues to maintain a General Fund balance that should allow the County to meet its General Fund expenditures without facing shortages in resources. As a result of prior years' conservative spending and steady fund balances, the County was able to create a Budget Stabilization fund in 2002 to safe guard against future economic factors. The \$27.6 million unreserved fund balance on the modified accrual basis of accounting at December 31, 2003 represents approximately 60% of 2003 General Fund expenditures and other financing uses.

All of these factors were considered in the preparation of the County's 2004 budget. In conjunction with current economic factors, the County continues to flat line its anticipated spending for 2004, and other elected officials and department heads were asked to freeze hiring and maintain status quo on salaries, technology and capital outlay. The County has maintained a standard of limiting appropriations to those revenues that were received in the prior year. This approach has allowed the County to maintain a steady unreserved fund balance which will accumulate the County's resources to benefit necessary safety, social service and capital programs without an additional burden to its citizens.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Linda L. Fraley, Clermont County Auditor, 101 East Main Street, Batavia, Ohio 45103, (513)732-7150, (email at [lfraley@co.clermont.oh.us](mailto:lfraley@co.clermont.oh.us)) or visit the County website at [www.clermont.oh.us](http://www.clermont.oh.us).



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**Clermont County, Ohio**  
**Statement of Net Assets**  
**December 31, 2003**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$68,589,002	\$4,547,095	\$73,136,097	\$8,180,549
Cash and Cash Equivalents in Segregated Accounts	0	12,356,427	12,356,427	58,782
Cash and Cash Equivalents with Fiscal & Escrow Agent	43,980	0	43,980	0
Investments in Segregated Accounts	0	60,608,812	60,608,812	0
Accounts Receivable	243,580	4,489,200	4,732,780	229,997
Accrued Interest Receivable	414,699	0	414,699	0
Intergovernmental Receivable	9,872,044	0	9,872,044	9,417,708
Taxes Receivable	20,576,466	0	20,576,466	7,939,993
Internal Balances	(325,209)	325,209	0	0
Prepaid Items	206,483	0	206,483	38,237
Inventory of Supplies at Cost	0	199,155	199,155	4,536
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	1,420	1,420	0
Cash and Cash Equivalents in Segregated Accounts	0	2,638,185	2,638,185	4,312
Investments in Segregated Accounts	0	6,596,242	6,596,242	0
Retainage Accounts	0	587,347	587,347	0
Accrued Interest	0	220,131	220,131	0
Grants Receivable	0	508,511	508,511	0
Loans Receivable	172,377	2,380,673	2,553,050	0
Unamortized Financing Costs	0	3,357,203	3,357,203	0
Special Assessments Receivable	5,079,344	0	5,079,344	0
Other Non-Current Receivables	0	526,626	526,626	0
Land and Construction in Progress	20,498,090	16,933,860	37,431,950	482,517
Depreciable Capital Assets, Net	108,486,005	197,586,334	306,072,339	6,658,392
<b>Total Assets</b>	<b>\$233,856,861</b>	<b>\$313,862,430</b>	<b>\$547,719,291</b>	<b>\$33,015,023</b>
<b>Liabilities</b>				
Accounts Payable	\$4,705,059	\$827,618	\$5,532,677	\$1,476,936
Contracts Payable	1,595,311	0	1,595,311	0
Accrued Wages and Benefits	1,211,651	222,467	1,434,118	226,831
Intergovernmental Payable	107,663	0	107,663	20,415
Deferred Revenue	16,120,470	0	16,120,470	7,617,439
Matured Interest Payable	8,863	0	8,863	0
Accrued Interest Payable	422,376	0	422,376	751
Claims Payable	1,214,712	0	1,214,712	
Payable from Restricted Assets:				
Accounts Payable	0	1,956,457	1,956,457	0
Accrued Interest Payable	0	228,863	228,863	0
Retainage Payable	0	587,347	587,347	0
Maintenance Bond Payable	0	52,800	52,800	0
Current Portion of Long-Term Debt	0	4,224,144	4,224,144	0
Long-Term Liabilities:				
Due Within One Year	6,338,394	0	6,338,394	337,705
Due In More Than One Year	43,091,970	78,568,433	121,660,403	1,032,456
<b>Total Liabilities</b>	<b>74,816,469</b>	<b>86,668,129</b>	<b>161,484,598</b>	<b>10,712,533</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	100,535,513	131,727,617	232,263,130	6,526,413
Restricted for:				
Capital Projects	19,485,526	0	19,485,526	935,140
Debt Service	5,403,972	7,270,658	12,674,630	880
Other Purposes (See Note B)	20,920,885	0	20,920,885	388,686
Component Unit	0	0	0	4,312
Unrestricted	12,694,496	88,196,026	100,890,522	14,447,059
<b>Total Net Assets</b>	<b>\$159,040,392</b>	<b>\$227,194,301</b>	<b>\$386,234,693</b>	<b>\$22,302,490</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
**Statement of Activities**  
**For the Year Ended December 31, 2003**

	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type		Component Units
						Governmental Activities	Business-Type Activities	
<b>Primary Government</b>								
General Government								
Legislative and Executive								
Judicial	\$19,533,131	\$11,669,374	\$377,589	\$0	(\$7,486,168)	\$0	(\$7,486,168)	\$0
Public Safety	8,911,706	3,151,132	189,349	0	(5,571,225)	0	(5,571,225)	0
Public Works	24,310,632	3,548,501	3,694,678	285,491	(16,791,962)	0	(16,791,962)	0
Health	13,454,860	1,678,909	9,354,779	1,853,665	(567,507)	0	(567,507)	0
Human Services	840,128	576,427	154,014	0	(109,687)	0	(109,687)	0
Community Development	29,851,533	1,334,652	19,679,608	0	(8,837,273)	0	(8,837,273)	0
Transportation	3,292,995	149,339	4,555	3,171,097	31,996	0	31,996	0
Interest and Fiscal Charges	1,767,427	750,931	864,288	157,816	5,608	0	5,608	0
Total Governmental Activities	2,546,741	0	0	0	(2,546,741)	0	(2,546,741)	0
Business-Type Activities								
Water	104,509,153	22,859,265	34,308,860	5,468,069	(41,872,959)	0	(41,872,959)	0
Sewer								
Total Business-Type Activities								
Total Primary Government	\$129,586,309	\$47,164,118	\$34,308,860	\$13,286,401	(41,872,959)	7,046,029	(34,826,930)	0
<b>Component Units</b>								
MRDD	\$13,961,604	\$2,561,524	\$5,794,175	\$0				(\$5,805,905)
MHRB	11,794,758	323,647	9,717,911	0				(1,753,200)
Total Component Units	\$25,756,362	\$2,885,171	\$15,512,086	\$0				(\$7,359,105)
<b>General Revenues and Transfers</b>								
Property Taxes Levied for:								
General Purposes					6,822,981	0	6,822,981	0
Social Services					5,623,183	0	5,623,183	0
MRDD					0	0	0	3,212,943
MHRB					0	0	0	1,478,910
Capital Outlay					3,242,143	0	3,242,143	0
Lodging Tax					443,691	0	443,691	0
Sales Tax					20,068,147	0	20,068,147	0
Grants not Restricted to Specific Programs					5,928,244	0	5,928,244	1,849,584
Investment Earnings					1,944,506	1,251,874	3,196,380	308
Other Revenue					212,823	220,411	433,234	275,022
Transfers (See Note O)					(240,000)	240,000	0	0
Total General Revenues and Transfers					44,045,718	1,712,285	45,758,003	6,816,767
Change in Net Assets					2,172,759	8,758,314	10,931,073	(542,338)
Net Assets Beginning of Year					156,867,633	218,435,987	375,303,620	22,844,828
Net Assets End of Year					\$159,040,392	\$227,194,301	\$386,234,693	\$22,302,490

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2003**

	General	Social Services	MV&G	County Debt Service	Judicial Projects
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$26,625,338	\$5,187,488	\$1,573,669	\$58,243	\$5,410,976
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	34,384	0
Receivables:					
Taxes	7,354,718	6,146,264	0	0	0
Sales Taxes	3,389,534	0	183,704	0	0
Accounts	130,527	192	83,954	0	0
Special Assessments	0	0	0	0	0
Accrued Interest	385,093	0	6,656	0	0
Interfund	1,896,820	0	0	0	0
Intergovernmental	1,986,070	375,592	4,419,877	0	0
Prepaid Items	155,676	1,531	722	0	0
Loans Receivable	0	0	0	0	0
<b>Total Assets</b>	<b>\$41,923,776</b>	<b>\$11,711,067</b>	<b>\$6,268,582</b>	<b>\$92,627</b>	<b>\$5,410,976</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$942,253	\$1,914,886	\$712,552	0	0
Contracts Payable	0	0	0	0	598,431
Accrued Wages and Benefits	782,645	229,185	78,015	0	0
Intergovernmental Payable	87,824	3,069	1,076	0	0
Interfund Payable	325,209	0	0	0	0
Deferred Revenue	11,189,087	6,515,441	4,245,991	0	0
Matured Interest Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>13,327,018</b>	<b>8,662,581</b>	<b>5,037,634</b>	<b>0</b>	<b>598,431</b>
<b>Fund Balances</b>					
Reserved for Encumbrances	924,267	225,366	365,412	0	3,187,543
Reserved for Loans	0	0	0	0	0
Unreserved:					
Designated for Budget Stabilization	2,300,000	0	0	0	0
Undesignated, Reported in:					
General Fund	25,372,491	0	0	0	0
Special Revenue Funds	0	2,823,120	865,536	0	0
Debt Service Funds	0	0	0	92,627	0
Capital Projects Funds	0	0	0	0	1,625,002
<b>Total Fund Balances</b>	<b>28,596,758</b>	<b>3,048,486</b>	<b>1,230,948</b>	<b>92,627</b>	<b>4,812,545</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$41,923,776</b>	<b>\$11,711,067</b>	<b>\$6,268,582</b>	<b>\$92,627</b>	<b>\$5,410,976</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2003*

County Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$3,124,697	\$23,882,537	\$65,862,948
0	9,596	43,980
3,502,246	0	17,003,228
0	0	3,573,238
0	28,907	243,580
0	5,079,344	5,079,344
0	22,950	414,699
200,000	0	2,096,820
192,761	2,897,744	9,872,044
0	39,122	197,051
0	172,377	172,377
<u>\$7,019,704</u>	<u>\$32,132,577</u>	<u>\$104,559,309</u>
0	\$910,891	\$4,480,582
565	996,315	1,595,311
0	112,111	1,201,956
0	15,552	107,521
0	2,096,820	2,422,029
3,691,321	7,524,506	33,166,346
0	8,863	8,863
<u>3,691,886</u>	<u>11,665,058</u>	<u>42,982,608</u>
98,273	4,763,694	9,564,555
0	172,377	172,377
0	0	2,300,000
0	0	25,372,491
0	8,591,293	12,279,949
0	232,710	325,337
<u>3,229,545</u>	<u>6,707,445</u>	<u>11,561,992</u>
<u>3,327,818</u>	<u>20,467,519</u>	<u>61,576,701</u>
<u>\$7,019,704</u>	<u>\$32,132,577</u>	<u>\$104,559,309</u>

**Total Governmental Fund Balances**

**\$61,576,701**

**Amounts reported for governmental activities in the  
statement of net assets are different because**

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds. **128,886,967**

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds:

Special Assessments	5,078,635
Investment Earnings	282,083
Intergovernmental Revenues	8,883,161
Property Taxes	866,495
Sales Tax	1,850,744
Charges for Services	84,758
<b>Total</b>	<b>17,045,876</b>

Internal service funds are used by management to charge the  
costs of insurance and other services to individual funds. The  
assets and liabilities of the internal service funds are included in  
governmental activities in the statement of net assets. **1,362,236**

Long-term liabilities, including bonds payable and accrued  
interest payable, are not due and payable in the current  
period and therefore are not reported in the funds.

General Obligation Bonds	(41,735,000)
Special Assessment Bonds	(3,624,000)
OWDA Loans	(330,707)
Accrued Interest	(422,376)
Compensated Absences	(3,719,305)

**Total** **(49,831,388)**

**Net Assets of Governmental Activities**

**\$159,040,392**

**Clermont County, Ohio**
**Statement of Revenues, Expenditures and Changes in Fund Balances**
**Governmental Funds**
**For the Year Ended December 31, 2003**

	General	Social Services	MV & G	County Debt Service	Judicial Projects
<b>Revenues</b>					
Property and Other Taxes	\$26,740,796	\$5,732,478	\$2,071,184	\$0	\$0
Charges for Services	9,895,194	821,938	421,625	0	0
Licenses and Permits	1,251,691	46,958	49,733	0	0
Fines and Forfeitures	1,368,946	0	159,549	0	0
Intergovernmental	4,544,478	20,726,123	7,164,333	0	0
Special Assessments	0	0	20,066	0	0
Investment Earnings	2,734,263	12	49,187	34,384	66,565
Net Decrease in Fair Value of Investments	(936,224)	0	(16,182)	0	0
Other	793,913	389,719	362,494	0	0
<b>Total Revenues</b>	<b>46,393,057</b>	<b>27,717,228</b>	<b>10,281,989</b>	<b>34,384</b>	<b>66,565</b>
<b>Expenditures</b>					
Current:					
General Government					
Legislative and Executive	13,307,595	0	0	0	0
Judicial	7,440,147	0	0	0	0
Public Safety	19,551,167	0	0	0	0
Public Works	0	0	10,534,697	0	0
Health	232,947	0	0	0	0
Human Services	948,565	28,844,891	0	0	0
Community Development	45,377	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	0	6,969,004
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	3,422,876	0
Interest and Fiscal Charges	0	0	0	1,856,048	0
Cost of Issuance	0	0	0	162,438	0
<b>Total Expenditures</b>	<b>41,525,798</b>	<b>28,844,891</b>	<b>10,534,697</b>	<b>5,441,362</b>	<b>6,969,004</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,867,259</b>	<b>(1,127,663)</b>	<b>(252,708)</b>	<b>(5,406,978)</b>	<b>(6,902,439)</b>
<b>Other Financing Sources (Uses)</b>					
Refunding Bonds Issued	0	0	0	13,395,000	0
Payment to Refunded Bonds Escrow Agent	0	0	0	(13,330,500)	0
General Obligation Bonds Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Transfers In	70,836	956,425	733	5,281,212	1,132,580
Transfers Out	(4,912,235)	0	(1,197,102)	0	0
Proceeds from the Sale of Capital Assets	18,860	1,317	5,978	0	0
Other Financing Sources - Premium	0	0	0	131,010	0
<b>Total Other Financing Sources (Uses)</b>	<b>(4,822,539)</b>	<b>957,742</b>	<b>(1,190,391)</b>	<b>5,476,722</b>	<b>1,132,580</b>
<b>Net Change in Fund Balances</b>	<b>44,720</b>	<b>(169,921)</b>	<b>(1,443,099)</b>	<b>69,744</b>	<b>(5,769,859)</b>
<b>Fund Balances at Beginning of Year</b>	<b>28,552,038</b>	<b>3,218,407</b>	<b>2,674,047</b>	<b>22,883</b>	<b>10,582,404</b>
<b>Fund Balances End of Year</b>	<b>\$28,596,758</b>	<b>\$3,048,486</b>	<b>\$1,230,948</b>	<b>\$92,627</b>	<b>\$4,812,545</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2003*

County Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$3,288,917	\$443,691	\$38,277,066
1,364	5,158,883	16,299,004
0	202,819	1,551,201
0	288,847	1,817,342
700,130	9,899,517	43,034,581
0	846,989	867,055
0	173,748	3,058,159
0	(55,797)	(1,008,203)
207,194	150,097	1,903,417
<u>4,197,605</u>	<u>17,108,794</u>	<u>105,799,622</u>
0	2,942,166	16,249,761
0	612,739	8,052,886
0	2,793,847	22,345,014
0	0	10,534,697
0	585,723	818,670
0	0	29,793,456
0	0	45,377
0	1,788,971	1,788,971
1,088,441	6,904,207	14,961,652
0	2,229,214	2,229,214
0	403,000	3,825,876
0	241,851	2,097,899
0	0	162,438
<u>1,088,441</u>	<u>18,501,718</u>	<u>112,905,911</u>
<u>3,109,164</u>	<u>(1,392,924)</u>	<u>(7,106,289)</u>
0	0	13,395,000
0	0	(13,330,500)
0	4,120,000	4,120,000
0	240,000	240,000
391,900	2,621,196	10,454,882
(4,184,709)	(310,836)	(10,604,882)
0	15,514	41,669
0	43,900	174,910
<u>(3,792,809)</u>	<u>6,729,774</u>	<u>4,491,079</u>
(683,645)	5,336,850	(2,615,210)
<u>4,011,463</u>	<u>15,130,669</u>	<u>64,191,911</u>
<u>\$3,327,818</u>	<u>\$20,467,519</u>	<u>\$61,576,701</u>

**Net Change in Fund Balances - Total Governmental Funds** (\$2,615,210)

**Amounts reported for governmental activities in the  
statement of activities are different because**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset additions	16,247,395	
Depreciation expense	(9,180,283)	
Excess of capital outlay over depreciations		7,067,112

In the statement of activities, the loss on the disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on the disposal of capital assets. (583,877)

Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Similarly, certain licenses and other revenues that do not provide current financial resources are not reported as revenues in the fund.

Taxes	(8,483)	
Intergovernmental revenue	602,154	
Special Assessments	(241,225)	
Charges for services	20,335	
Investment earnings	(105,450)	
All other revenue	(413,797)	
Total revenue		(146,466)

The issuance of Long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Repayment of Bond Principal	3,825,876
Payment to Refunded Bonds Escrow Agent	13,330,500
Proceeds from sale of Bonds	(17,755,000)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. (59,686)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences Payable	(459,275)
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The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities. (431,215)

**Change in Net Assets of Governmental Activities** \$2,172,759

**Clermont County, Ohio**  
**Statement of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
<b>Revenues:</b>				
Taxes.....	\$27,733,280	\$27,733,280	\$26,648,454	(\$1,084,826)
Charges for services.....	9,551,464	9,551,464	10,649,376	1,097,912
Licenses and permits.....	1,213,800	1,213,800	1,252,836	39,036
Fines and forfeitures.....	1,420,700	1,420,700	1,372,613	(48,087)
Intergovernmental.....	3,842,397	3,842,397	4,597,046	754,649
Investment earnings.....	3,182,288	3,182,288	2,828,508	(353,780)
All other revenues.....	824,656	824,656	1,277,700	453,044
Total revenues.....	<u>47,768,585</u>	<u>47,768,585</u>	<u>48,626,533</u>	<u>857,948</u>
<b>Expenditures:</b>				
Current:				
General Government				
Legislative and executive.....	15,989,968	15,733,847	14,425,923	1,307,924
Judicial.....	7,952,911	7,892,275	7,644,983	247,292
Public safety.....	20,893,935	20,993,437	20,192,559	800,878
Health.....	771,717	408,015	403,779	4,236
Human services.....	1,237,558	1,237,558	974,392	263,166
Community development.....	560,652	495,081	469,930	25,151
Total expenditures.....	<u>47,406,741</u>	<u>46,760,213</u>	<u>44,111,566</u>	<u>2,648,647</u>
Excess of revenues over expenditures.....	<u>361,844</u>	<u>1,008,372</u>	<u>4,514,967</u>	<u>3,506,595</u>
<b>Other financing sources (uses):</b>				
Operating transfers in.....	0	0	70,836	70,836
Operating transfers (out).....	(6,297,923)	(7,289,866)	(5,027,527)	2,262,339
Advances in.....	0	0	152,512	152,512
Advances (out).....	(154,820)	(154,820)	(154,820)	0
Proceeds of sale of fixed assets.....	0	0	18,860	18,860
Total other financing sources (uses).....	<u>(6,452,743)</u>	<u>(7,444,686)</u>	<u>(4,940,139)</u>	<u>2,504,547</u>
Net Change in Fund Balance	(6,090,899)	(6,436,314)	(425,172)	6,011,142
Fund balance at beginning of year.....	23,677,271	23,677,271	23,677,271	0
Prior year encumbrances appropriated.....	1,607,880	1,607,880	1,607,880	0
Fund balance at end of year.....	<u>\$19,194,252</u>	<u>\$18,848,837</u>	<u>\$24,859,979</u>	<u>\$6,011,142</u>

See accompanying notes to the basic financial statements



**Clermont County, Ohio**  
**Statement of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Social Services - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Taxes.....	\$6,431,000	\$6,321,484	\$5,807,805	(\$513,679)
Charges for services.....	844,400	890,400	821,938	(68,462)
Licenses and permits.....	56,000	56,000	46,766	(9,234)
Intergovernmental.....	22,046,909	22,700,925	20,641,123	(2,059,802)
Investment earnings.....	0	0	12	12
Other revenues.....	615,500	615,500	542,496	(73,004)
Total revenues.....	<u>29,993,809</u>	<u>30,584,309</u>	<u>27,860,140</u>	<u>(2,724,169)</u>
<b>Expenditures:</b>				
Current:				
Human services.....	<u>32,113,534</u>	<u>30,390,135</u>	<u>29,403,753</u>	<u>986,382</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(2,119,725)</u>	<u>194,174</u>	<u>(1,543,613)</u>	<u>(1,737,787)</u>
<b>Other financing sources(uses):</b>				
Operating transfers in.....	5,741,744	5,741,744	6,617,313	875,569
Operating transfers (out).....	(5,210,502)	(6,333,363)	(6,081,924)	251,439
Proceeds from sale of fixed assets.....	2,500	2,500	1,317	(1,183)
Total other financing sources (uses).....	<u>533,742</u>	<u>(589,119)</u>	<u>536,706</u>	<u>1,125,825</u>
Net change in fund balance.....	(1,585,983)	(394,945)	(1,006,907)	(611,962)
Fund balance at beginning of year.....	3,531,647	3,531,647	3,531,647	0
Prior year encumbrances appropriated.....	1,062,064	1,062,064	1,062,064	0
Fund balance at end of year.....	<u>\$3,007,728</u>	<u>\$4,198,766</u>	<u>\$3,586,804</u>	<u>(\$611,962)</u>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
**Statement of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Motor Vehicle and Gas Tax - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Taxes.....	\$1,954,000	\$1,954,000	\$2,072,950	\$118,950
Charges for services.....	246,250	271,250	416,407	145,157
Licenses and permits.....	43,000	43,000	49,733	6,733
Fines and forfeitures.....	180,000	180,000	180,893	893
Intergovernmental .....	5,912,000	9,414,690	7,164,333	(2,250,357)
Special Assessments.....	18,500	18,500	20,066	1,566
Investment earnings.....	120,000	120,000	55,589	(64,411)
Other revenues.....	51,750	78,750	562,444	483,694
Total revenues.....	<u>8,525,500</u>	<u>12,080,190</u>	<u>10,522,415</u>	<u>(1,557,775)</u>
<b>Expenditures:</b>				
Current:				
Public works.....	<u>8,477,729</u>	<u>11,886,394</u>	<u>11,178,398</u>	<u>707,996</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>47,771</u>	<u>193,796</u>	<u>(655,983)</u>	<u>(849,779)</u>
<b>Other financing sources(uses):</b>				
Operating transfer in.....	1,500	1,500	733	(767)
Operating transfers (out).....	(1,197,473)	(1,197,473)	(1,197,102)	371
Proceeds from the sale of fixed assets.....	2,500	2,500	5,978	3,478
Total other financing sources (uses).....	<u>(1,193,473)</u>	<u>(1,193,473)</u>	<u>(1,190,391)</u>	<u>3,082</u>
Net change in fund balance.....	(1,145,702)	(999,677)	(1,846,374)	(846,697)
Fund balance at beginning of year.....	1,157,761	1,157,761	1,157,761	0
Prior year encumbrances appropriated.....	1,146,299	1,146,299	1,146,299	0
Fund balance at end of year.....	<u>\$1,158,358</u>	<u>\$1,304,383</u>	<u>\$457,686</u>	<u>(\$846,697)</u>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**December 31, 2003**

	<u>Business-Type Activities-Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,361,944	\$3,185,151	\$4,547,095	\$2,726,054
Cash and Cash Equivalents in Segregated Accounts	4,406,119	7,950,308	12,356,427	0
Investments in Segregated Accounts	23,566,720	37,042,092	60,608,812	0
Prepaid items	0	0	0	9,432
Receivables:				
Accounts	1,830,187	2,659,013	4,489,200	0
Inventory of Supplies at Cost	193,106	6,049	199,155	0
<b>Total Current Assets</b>	<b>31,358,076</b>	<b>50,842,613</b>	<b>82,200,689</b>	<b>2,735,486</b>
<i>Noncurrent Assets:</i>				
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	500	920	1,420	0
Cash and Cash Equivalents in Segregated Accounts	1,262,735	1,375,450	2,638,185	0
Investments in Segregated Accounts	3,017,896	3,578,346	6,596,242	0
Retainage Accounts	314,035	273,312	587,347	0
Accrued Interest	92,568	127,563	220,131	0
Other Noncurrent Assets:				
Grants Receivable	312,858	195,653	508,511	0
Loans Receivable	588,000	1,792,673	2,380,673	0
Unamortized financing costs	979,956	2,377,247	3,357,203	0
Interfund receivable	110,491	214,718	325,209	0
Other noncurrent receivables	526,626	0	526,626	0
Capital Assets, Net	88,911,788	125,608,406	214,520,194	97,128
<b>Total Noncurrent Assets</b>	<b>96,117,453</b>	<b>135,544,288</b>	<b>231,661,741</b>	<b>97,128</b>
<b>Total Assets</b>	<b>127,475,529</b>	<b>186,386,901</b>	<b>313,862,430</b>	<b>2,832,614</b>
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	\$395,341	\$432,277	\$827,618	\$224,477
Accrued Wages and Benefits	81,453	141,014	222,467	9,695
Intergovernmental Payable	0	0	0	142
Claims Payable	0	0	0	1,214,712
<b>Total Current Liabilities</b>	<b>476,794</b>	<b>573,291</b>	<b>1,050,085</b>	<b>1,449,026</b>
<i>Noncurrent Liabilities:</i>				
Payable from Restricted Assets:				
Accounts Payable	1,328,639	627,818	1,956,457	0
Accrued Interest Payable	117,797	111,066	228,863	0
Retainage Payable	314,035	273,312	587,347	0
Maintenance Bond Payable	26,400	26,400	52,800	0
Current Portion of Long-Term Obligations	2,069,700	2,154,444	4,224,144	0
Compensated Absences Due Within One Year	0	0	0	11,898
Compensated Absences Due Within More than One Year	0	0	0	9,454
Long-Term Liabilities:				
OWDA Notes Payable	0	1,452,830	1,452,830	0
OPWC Loans Payable	573,300	4,017,303	4,590,603	0
Revenue Bonds Payable	34,965,000	37,560,000	72,525,000	0
<b>Total Noncurrent Liabilities</b>	<b>39,394,871</b>	<b>46,223,173</b>	<b>85,618,044</b>	<b>21,352</b>
<b>Total Liabilities</b>	<b>39,871,665</b>	<b>46,796,464</b>	<b>86,668,129</b>	<b>1,470,378</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	51,303,788	80,423,829	131,727,617	97,128
Restricted for Debt Service	2,927,263	4,343,395	7,270,658	0
Unrestricted	33,372,813	54,823,213	88,196,026	1,265,108
<b>Total Net Assets</b>	<b>\$87,603,864</b>	<b>\$139,590,437</b>	<b>\$227,194,301</b>	<b>\$1,362,236</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
**Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
<b>Operating Revenues</b>				
Charges for Services	\$10,121,007	\$13,280,299	\$23,401,306	\$10,159,041
New meters, services and reviews	804,769	98,778	903,547	0
Other Revenues	170,539	49,872	220,411	57,064
<b>Total Operating Revenues</b>	<b>11,096,315</b>	<b>13,428,949</b>	<b>24,525,264</b>	<b>10,216,105</b>
<b>Operating Expenses</b>				
Personal Services	662,992	1,198,510	1,861,502	444,740
Materials and Supplies	308,779	326,813	635,592	736,787
Contractual Services	3,956,256	3,401,382	7,357,638	779,237
Maintenance and Repair	91,980	188,282	280,262	285,979
Utilities	5,984	370,003	375,987	692,789
Claims	0	0	0	7,579,248
Depreciation	3,290,588	6,655,893	9,946,481	16,209
Other	7,165	7,651	14,816	27,539
<b>Total Operating Expenses</b>	<b>8,323,744</b>	<b>12,148,534</b>	<b>20,472,278</b>	<b>10,562,528</b>
<b>Operating Income/(Loss)</b>	<b>2,772,571</b>	<b>1,280,415</b>	<b>4,052,986</b>	<b>(346,423)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Investment Income	972,064	1,250,834	2,222,898	0
Net Increase (Decrease) in Fair Value of Investments	(437,265)	(533,759)	(971,024)	0
Interest and Fiscal Charges	(2,378,913)	(2,225,965)	(4,604,878)	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(1,844,114)</b>	<b>(1,508,890)</b>	<b>(3,353,004)</b>	<b>0</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>928,457</b>	<b>(228,475)</b>	<b>699,982</b>	<b>(346,423)</b>
Capital Contributions	3,638,330	4,180,002	7,818,332	5,208
Transfers In	240,000	0	240,000	0
Transfers Out	0	0	0	(90,000)
<b>Change in Net Assets</b>	<b>4,806,787</b>	<b>3,951,527</b>	<b>8,758,314</b>	<b>(431,215)</b>
<b>Net Assets Beginning of Year</b>	<b>82,797,077</b>	<b>135,638,910</b>	<b>218,435,987</b>	<b>1,793,451</b>
<b>Net Assets End of Year</b>	<b>\$87,603,864</b>	<b>\$139,590,437</b>	<b>\$227,194,301</b>	<b>\$1,362,236</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers and Users	\$10,944,991	\$13,281,162	\$24,226,153	\$2,127,841
Cash received from Interfund Services Provided	0	0	0	8,031,200
Payments to Suppliers	(4,379,511)	(4,296,236)	(8,675,747)	(1,890,912)
Payments to Employees	(702,409)	(1,178,565)	(1,880,974)	(447,171)
Claims	0	0	0	(6,845,711)
Payments for Interfund Services Provided	0	0	0	(528,228)
Other Receipts	170,539	148,650	319,189	57,064
<b>Net Cash Provided by Operating Activities</b>	<b>6,033,610</b>	<b>7,955,011</b>	<b>13,988,621</b>	<b>504,083</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfer to Other Funds	0	0	0	(90,000)
<b>Net Cash (Used for) Noncapital and Related Financing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(90,000)</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Principal and Interest Paid on Long-Term Debt	(4,167,746)	(3,798,081)	(7,965,827)	0
Proceeds from Issuance of Revenue Bonds	38,109,117	39,239,486	77,348,603	0
Cost of issuing bonds	(1,411,447)	(1,351,231)	(2,762,678)	0
Refunding of Revenue Bonds	(41,095,000)	(41,665,000)	(82,760,000)	0
Construction/Acquisition of Capital Assets	(5,446,926)	(3,611,856)	(9,058,782)	(13,419)
Retainage Receipts	186,258	59,281	245,539	0
Retainage Payments	(85,479)	(40,619)	(126,098)	0
Maintenance Bond Receipts	8,850	8,850	17,700	0
Maintenance Bond Payments	(1,150)	(1,150)	(2,300)	0
Proceeds from Assessments	112,191	0	112,191	0
System Capacity Charges	1,837,464	2,609,961	4,447,425	0
Proceeds from Interfund Receivables	36,831	71,573	108,404	0
Proceeds from Grants	244,500	206,422	450,922	0
Transfers in from Other Funds	240,000	0	240,000	0
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<b>(11,432,537)</b>	<b>(8,272,364)</b>	<b>(19,704,901)</b>	<b>(13,419)</b>
<b>Cash Flows From Investing Activities:</b>				
Investment Purchases	(28,260,670)	(43,888,826)	(72,149,496)	0
Investment Sales	32,851,947	49,807,997	82,659,944	0
Interest Received on Investments	1,057,453	1,387,463	2,444,916	0
<b>Net Cash Provided by Investing Activities</b>	<b>5,648,730</b>	<b>7,306,634</b>	<b>12,955,364</b>	<b>0</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>249,803</b>	<b>6,989,281</b>	<b>7,239,084</b>	<b>400,664</b>
<b>Cash and Cash Equivalents January 1 (including \$562,356 and \$646,952 for the Water and Sewer Funds, respectively held in restricted accounts)</b>	<b>7,095,530</b>	<b>5,795,860</b>	<b>12,891,390</b>	<b>2,325,390</b>
<b>Cash and Cash Equivalents December 31 (including \$1,577,270 and \$1,649,682 for the Water and Sewer Funds, respectively held in restricted accounts)</b>	<b>\$7,345,333</b>	<b>\$12,785,141</b>	<b>\$20,130,474</b>	<b>\$2,726,054</b>

Continued

**Clermont County, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003-Continued**

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$2,772,571	\$1,280,415	\$4,052,986	(\$346,423)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	3,290,588	6,655,893	9,946,481	16,209
Change in Assets and Liabilities				
(Increase) in Prepaid Items	0	0	0	(187)
Decrease in Accounts Receivable	19,215	863	20,078	0
Decrease in Inventory	0	66,461	66,461	0
Increase (Decrease) in Accounts Payable	(9,347)	(68,566)	(77,913)	103,378
Increase (Decrease) in Accrued Wages and Related Expense	(39,417)	19,945	(19,472)	545
Increase in Claims Payable	0	0	0	733,537
(Decrease) in Intergovernmental Payable	0	0	0	(10,670)
Increase in Compensated Absences	0	0	0	7,694
<b>Net Cash Provided by Operating Activities</b>	<b>\$6,033,610</b>	<b>\$7,955,011</b>	<b>\$13,988,621</b>	<b>\$504,083</b>
<b>Non-Cash Transactions:</b>				
Contributions	\$940,360	\$1,489,924	\$2,430,284	\$0
Contributions from other funds	0	0	0	5,208
OPWC Loans Receivable	588,000	970,000	1,558,000	0
Net Increase in the Fair Value of Investments	(437,265)	(533,759)	(971,024)	0
<b>Total Non-Cash Transactions</b>	<b>\$1,091,095</b>	<b>\$1,926,165</b>	<b>\$3,017,260</b>	<b>\$5,208</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2003**

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$12,226,046
Cash and Cash Equivalents in Segregated Accounts	428,229
Cash in Fiscal and Escrow Accounts	114,480
Taxes Receivable	162,815,289
Intergovernmental Receivable	<u>14,660</u>
<b>Total Assets</b>	<b><u>\$175,598,704</u></b>
<b>Liabilities</b>	
Intergovernmental Payable	\$171,749,966
Other Liabilities	<u>3,848,738</u>
<b>Total Liabilities</b>	<b><u>\$175,598,704</u></b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
**Statement of Net Assets**  
**Component Units**  
**December 31, 2003**

	MRDD	Mental Health Board	Component Unit Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,788,605	\$5,391,944	\$8,180,549
Cash and Cash Equivalents in Segregated Accounts	58,782	0	58,782
Receivables:			
Taxes	6,322,554	1,617,439	7,939,993
Accounts	106,977	123,020	229,997
Intergovernmental Receivable	4,179,730	5,237,978	9,417,708
Prepaid Items	30,928	7,309	38,237
Inventory of supplies at cost	4,536	0	4,536
Restricted Assets:			
Cash and Cash Equivalents in Segregated Accounts	4,312	0	4,312
Land and Land Improvements	281,189	201,328	482,517
Depreciable Capital Assets, Net	4,363,137	2,295,255	6,658,392
<b>Total Assets</b>	<b>18,140,750</b>	<b>14,874,273</b>	<b>33,015,023</b>
<b>Liabilities</b>			
Accounts Payable	\$353,808	\$1,123,128	\$1,476,936
Accrued Wages and Benefits	216,231	10,600	226,831
Intergovernmental Payable	3,337	17,078	20,415
Deferred Revenue	6,084,687	1,532,752	7,617,439
Accrued Interest Payable	0	751	751
Long-Term Liabilities:			
Due Within One Year	306,667	31,038	337,705
Due In More Than One Year	394,295	638,161	1,032,456
<b>Total Liabilities</b>	<b>7,359,025</b>	<b>3,353,508</b>	<b>10,712,533</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	4,644,326	1,882,087	6,526,413
Restricted for:			
Capital Projects	935,140	0	935,140
Debt Service	0	880	880
Other Purposes	388,686	0	388,686
Clerco	4,312	0	4,312
Unrestricted	4,809,261	9,637,798	14,447,059
<b>Total Net Assets</b>	<b>\$10,781,725</b>	<b>\$11,520,765</b>	<b>\$22,302,490</b>

See accompanying notes to the basic financial statements



Clermont County, Ohio  
Statement of Activities  
Component Units  
For the Year Ended December 31, 2003

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	MRDD	MHRB	Total
<b>MRDD Component Unit</b>							
Governmental Activities							
Human Services	\$13,961,604	\$2,561,524	\$5,794,175	\$0	(\$5,605,905)	\$0	(\$5,605,905)
<b>MHRB Component Unit</b>							
Governmental Activities							
Health	11,763,090	323,647	9,717,911	0	0	(1,721,532)	(1,721,532)
Interest and Fiscal Charges	31,668	0	0	0	0	(31,668)	(31,668)
<i>Total MHRB Component Unit</i>	<u>\$11,794,758</u>	<u>\$323,647</u>	<u>\$9,717,911</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,753,200)</u>	<u>(1,753,200)</u>
<b>Total Component Units</b>	<u>\$25,756,362</u>	<u>\$2,885,171</u>	<u>\$15,512,086</u>	<u>\$0</u>			<u>(\$7,359,105)</u>
<b>General Revenues</b>							
Property Taxes					3,212,943	1,478,910	4,691,853
Grants not Restricted to Specific Programs					1,513,718	335,866	1,849,584
Investment Earnings					308	0	308
Miscellaneous					118,252	156,770	275,022
<i>Total General Revenues</i>					<u>4,845,221</u>	<u>1,971,546</u>	<u>6,816,767</u>
Change in Net Assets					(760,684)	218,346	(542,338)
<i>Net Assets Beginning of Year</i>					<u>11,542,409</u>	<u>11,302,419</u>	<u>22,844,828</u>
<i>Net Assets End of Year</i>					<u>\$10,781,725</u>	<u>\$11,520,765</u>	<u>\$22,302,490</u>

See accompanying notes to the basic financial statements

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**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note A: Description of the County and Reporting Entity**

Clermont County is a political subdivision of the State of Ohio. The County was formed by action of Arthur St. Clair, the first governor of the Northwest Territory in 1800. The three member Board of County Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer. In addition, there are seven other elected administrative officials, each of whom is independent, as set forth in Ohio law. These officials are the Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. There are also five Common Pleas Court Judges, (one of whom is Domestic Relations Court Judge, and one whom is Judge of the Probate and Juvenile Courts) and three Municipal Court Judges elected on a County-wide basis to oversee the County's justice system.

**Reporting Entity**

As required by generally accepted accounting principles, the financial statements present Clermont County (the primary government) and its component units. The primary government includes all funds, departments, boards and agencies for which the County elected officials are financially accountable and are not legally separate from the County. The component units (discussed below) are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

**Discretely Presented Component Units**

The component units column in the government-wide financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County. The following boards are included as legally separate, discretely presented components of the County:

**County Board of Mental Retardation and Developmental Disabilities (MRDD Board):** The MRDD Board (including Clerco, Inc.) is responsible for providing educational and vocational services to mentally retarded and developmentally disabled children and adults. The County Commissioners appoint five members of the seven member MRDD Board. The remaining two members are appointed by the County Probate Court Judge. The County Commissioners approve the annual appropriations of the MRDD Board. The MRDD Board can sue or be sued in its own name. Clerco, Inc. is a program of rehabilitation for individuals whose capacity has been impaired because of mental retardation. The MRDD Board pays many of the expenses of Clerco, Inc. and the administrative and supervisory staff of Clerco, Inc. are considered employees of the MRDD Board.

**Community Mental Health and Recovery Board (MHRB):** The MHRB is responsible for a wide range of planning and coordination of various types of mental health services for residents of Clermont County. The Board is authorized to have eighteen members under the Ohio Revised Code, with ten appointed by the Board of County Commissioners, four appointed by the Ohio Department of Mental Health, and four appointed by the Ohio Department of Alcohol and Drug Addiction Services. The MHRB can buy, sell, lease and mortgage property in its own name and can sue or be sued in its own name. The County Commissioners approve the annual appropriation of the MHRB.

Copies of the component unit financial reports are on file at the Clermont County Auditor's Office, 101 E. Main Street, Batavia, Ohio 45103-2961.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note A: Description of the County and Reporting Entity (Continued)**

**Related Organizations:**

Clermont County officials are also responsible for appointing the members and/or act as members on the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments or representing the following organizations:

**Clermont County Law Library:** The six member board of trustees are appointed by the Common Pleas Court Judge.

**Public Library Board:** The seven member board of library trustees are appointed by County officials. Three trustees are appointed by Judges of the Court of Common Pleas, and four trustees are appointed by the Board of County Commissioners.

**Metropolitan Housing Authority:** Three of the five board members are appointed by County officials. The Probate Court, Common Pleas Court and Board of County Commissioners appoint one board member each.

**Clermont County Visitors' Bureau:** The Board of County Commissioners appoint six of the nine directors.

**Family and Children First Council:** The operation of the Council is controlled by an advisory committee and the Clermont County Department of Job and Family Services. The County Commissioners and the County Administrator are members of the committee.

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County Treasury. In the case of the separate agencies, boards and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the activity of the following districts are presented as agency funds within the County's financial statements.

- Soil and Water Conservation District
- Park District
- Clermont County Health District

**Note B: Summary of Significant Accounting Policies**

The financial statements of Clermont County have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or after November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the County accounting policies are described below.

**Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

**Fund Financial Statements**

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

**Fund Accounting**

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, use and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

**General Fund-**

This fund accounts for the general operating revenues and expenditures of the County not recorded elsewhere. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Social Service Special Revenue Fund-**

This fund administers human service programs under state and federal regulations. These programs include Aid to Dependent Children (ADC), Medicaid, Food Stamps, investigation of all reports of child abuse, neglect or dependency, foster care programs, adoption services, senior service programs, and job training services to economically disadvantaged residents.

**Motor Vehicle and Gas Tax Fund-**

This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

**County Debt Service Fund-**

This fund accounts for monies to be used for the payment of principal and interest of the County's general obligation bonds.

**Judicial Capital Projects Fund-**

This fund accounts for financial resources to be used for the construction and renovation of judicial related facilities, including but not limited to the Municipal Court construction.

**County Capital Improvement Capital Projects Fund-**

This fund accounts for financial resources to be used for major capital improvement to existing County facilities.

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

**Enterprise Funds**

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The County maintains two Enterprise Funds which provide sanitary sewer, water distribution, and waste water treatment.

**Internal Service Funds**

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service funds report on self-insurance programs for employee medical benefits, worker's compensation, vehicle maintenance, and telephone services.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support County's own programs. Agency funds are used to report resources held by the County in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations, or other governments. The County's only fiduciary funds are agency funds.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Component Units**

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

**Measurement Focus**

**Government-wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the Statement of Net Assets.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the governmental-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis accounting. Governmental Funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within thirty days of fiscal year-end.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes are recognized in the fiscal year for which the taxes are levied (See Note E). Revenue from sales tax, grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

**Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2003 but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Cash and Cash Equivalents**

Cash resources of the majority of individual funds are combined to form a pool of cash and investments which is managed by the County Treasurer. Interest earned on investments is accrued as earned and distributed to the General Fund and other qualifying funds utilizing a formula based on the average month end balance of cash and cash equivalents of all funds. During fiscal year 2003, investments were limited to treasury bills, treasury notes, federal agency notes, money market accounts and STAR Ohio. Investments are reported at fair value which is based on quoted market prices. Note D provides a detailed disclosure regarding cash, cash equivalents and investments held by the County. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2003.



**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2003 amounted to \$2,734,263, which includes \$1,977,801 assigned from other County funds.

**Cash and Investments in Segregated Accounts**

The County has segregated bank accounts for monies held separate from the County's central bank account. These depository accounts are presented in the Statement of Net Assets as "Cash and Cash Equivalents in Segregated Accounts" or "Investments in Segregated Accounts".

**Cash with Fiscal Agent**

The County has escrow bank accounts used for the payment of debt and for the collection of bond proceeds. These accounts are presented on the Combined Balance Sheet and the Statement of Net Assets as "Cash and Cash Equivalents with Fiscal and Escrow agent".

**Statement of Cash Flows**

Funds included within the Treasurer's cash management pool and investments in segregated accounts (including restricted trustee and retainage accounts) with original maturities of 3 months or less when purchased are considered to be cash equivalents. (In addition, revenue and expense transactions classified as other than operating cash flows from operations are not considered as components of operating income.)

**Cash and Investments Held by Trustee**

Certain monies for the Water and Sewer District are held and invested by trustees. Certain component units also maintain separate bank accounts. These bank accounts and investments are represented by the "Cash and Cash equivalents in segregated accounts", and "Investments in segregated accounts" restricted asset accounts.

**Inventories and Prepaid Items**

On government-wide financial statements inventories are presented at the lower of cost or market on a first-in, first-out basis (FIFO) and are expensed when used.

Inventory is reported in enterprise funds and component units and is valued at cost using the first-in, first-out (FIFO) method. Inventory is expensed when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items by using the consumption method.

**Interfund Transactions**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Restricted Assets**

Restricted assets consist of certain trust accounts held by the Water and Sewer District which include a bond account, bond reserve account, replacement and improvement account, and a construction account. Cash and investments in the accounts are held by trustee financial institutions. The bond account is used to accumulate periodic principal and interest payments. The bond reserve account is to be funded in an amount equal to the maximum annual bond principal and interest requirement. The replacement and improvement account is to be maintained with a balance equal to the greater of five percent of the amount of bonds outstanding or \$2,000,000. The construction account is established to pay for project costs.

**Capital Assets**

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Infrastructure	20-50
Vehicles	5-10
Furniture & Equipment	5-10

**Loans Receivable**

Loans receivable represent Ohio Public Works Commission (OPWC) loans where the Water and Sewer District has entered into a loan agreement but has not drawn down all loan proceeds due to the interim status of the related construction project. The loan terms require the Water and Sewer District to initiate loan payments even though the project is not completed and all loan proceeds have not been drawn down. In addition, loans receivable represent low-interest loans for septic system development projects granted to eligible County residents under the Septic System Rehabilitation program.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

Vacation, personal and compensatory benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

The entire compensated absence liability is reported on the government-wide financial statements.

Ohio law requires that vacation time not be accumulated for more than three years plus current year accrual. Employees with a minimum of one year of service become vested in accumulated unpaid vacation time. Unused vacation is payable upon termination of employment. Unused sick time may be accumulated until retirement. Employees eligible to retire under a County recognized retirement plan, with a minimum of ten years of service, are paid one-fourth of accumulated sick time upon retirement. Such payment may not exceed the value of thirty days of accrued but unused sick leave. However, if employees earned sick leave prior to January 23, 1984, they are eligible for 100% conversion of this amount. All sick, vacation, personal and compensation payments are made at employees' current wage rates.

**Self Insurance**

The County is self-insured for employee health care benefits. The program is administered by United Health Care, which provides claims review and processing services. Each County department is charged for its proportionate share of covered employees. The County has recorded a liability for incurred but not paid and for incurred but unreported claims at year end based on an actuarial estimate by United Health Care.

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligation of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year. Bonds, long-term notes, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Fund Balance Reserves**

The County reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Net Assets**

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Net assets restricted for other purposes are restricted by grantors and regulations of other governments. Most of net assets restricted for other purposes are restricted for public assistance money and motor vehicle and gas money.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water distribution, waste water treatment, vehicle maintenance, telephone service and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues which do not meet this criteria are considered non-operating and reported as such. All revenue of the Water and Sewer District are used as security for revenue bonds issued.

**Capital Contributions**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants, other funds or outside contributions of resources restricted to capital acquisition and construction, and system capacity charges.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department. Any budgetary modifications at this level may only be made by resolution of the County Commissioners.

**Tax Budget-** A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**Estimated Resources-** The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted. The amounts reported as the final budget amounts in the budgetary statements reflect the amounts in the final amended certificate issued during 2003.

**Appropriations-** A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

Modifications to the original budget beyond the object level requires the approval of the Board of Commissioners. During the year, several supplemental appropriation resolutions were legally enacted by the County commissioners. Amendments to the original appropriation budget are described in Note P. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**Note B: Summary of Significant Accounting Policies (Continued)**

**Encumbrances-** As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits encumbrances plus expenditures from exceeding appropriations at the legal level of control.

**Lapsing of Appropriations-** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and not re-appropriated.

**NOTE C: Budgetary Basis of Accounting**

While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general and each major special revenue fund is presented in the Basic Financial Statements to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out are operating transactions (Budget) as opposed to balance sheets transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

**Net Change in Fund Balance**  
**General and Major Special Revenue Funds**

	General	Social Service	MV & G
GAAP Basis	\$44,720	(\$169,921)	(\$1,443,099)
Net Adjustment for Revenue Accruals	2,279,185	142,912	240,426
Net Adjustment for Expenditure Accruals	(989,678)	236,077	430,371
Net Adjustment for Transfers In	0	5,660,888	0
Net Adjustment for Transfers Out	(115,292)	(6,081,924)	0
Net Adjustment for Advances	(2,308)	0	0
Excess of Revenue over Expenditures of Non-Budgeted Fund	(45,709)	0	0
Encumbrances	(1,596,090)	(794,939)	(1,074,072)
Budget Basis	<u>(\$425,172)</u>	<u>(\$1,006,907)</u>	<u>(\$1,846,374)</u>

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**NOTE D: Deposits and Investments**

The County maintains a cash and investment pool used by all funds and component units except the trustee held monies in Water and Sewer Funds and monies held by certain County departments in outside accounts. Each fund type's and component units portion of this pool is displayed on the statement of net assets as "Equity in pooled cash and cash equivalents".

Monies held by the County are classified by State Statute into two categories:

Active monies are public monies determined to be necessary to meet current demand upon the County Treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County identified as not required for use within the current four-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Ohio Law permits inactive monies to be deposited or invested in the following:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in (1) or (2) above or cash or both securities and cash, equal value for equal value;

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**NOTE D: Deposits and Investments (Continued)**

9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year end, the County had \$5,000 in un-deposited cash on hand which is included on the balance sheet of the County as part of "equity in pooled cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

**Deposits**

At fiscal year end, the carrying amount of the County's deposits was \$46,887,583 which was made up of \$38,643,941 from the primary government and \$8,243,643 from component units. The bank balance of the County was \$48,846,299 of the bank balance \$1,004,458 was covered by federal depository insurance and \$47,841,841 was collateralized by securities pledged by depository banks with federal revenue bonds in the County's name. Although the securities serving as collateral were held by the pledging financial institution's trust department in the County's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements by the depository would potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

**Investments**

The County's investments are categorized below to give an indication of the level of risk assumed by the County at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the County's name. The County's investments in money market funds and STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.



**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE D: Deposits and Investments (Continued)**

	Category 1	Category 2	Fair Value
<b>Primary Government:</b>			
Treasury Bills	\$0	\$22,557,184	\$22,557,184
Treasury Notes	14,444,437	44,647,870	59,092,307
Federal Agency Notes	35,735,232	0	35,735,232
Money Market Funds	0	0	5,303,602
STAR Ohio	0	0	7,400,000
<b>Total</b>	<b>\$50,179,669</b>	<b>\$67,205,054</b>	<b>\$130,088,325</b>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash & Cash Equivalents	Investments
GASB Statement No. 9	\$109,775,854	\$67,205,054
Cash on Hand	(5,000)	0
Treasury Bills	0	0
Treasury Notes	(14,444,437)	14,444,437
Federal Agency Notes	(35,735,232)	35,735,232
Money Market Funds	(5,303,602)	5,303,602
STAR Ohio	(7,400,000)	7,400,000
<b>GASB Statement No. 3</b>	<b>\$46,887,583</b>	<b>\$130,088,325</b>

**NOTE E: Receivables**

Receivables at December 31, 2003, consisted of sales taxes, special assessments, accrued interest, accounts (billings for user charged services, including unbilled utility services, and rental payments), interfund and intergovernmental receivables arising from grants, entitlements and shared revenues. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

**Property Taxes**

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2003 were based, are as follows:

Real Property	\$3,136,913,680
Public Utility and Tangible Personal Property	477,890,693
<b>Total Assessed Property Value</b>	<b>\$3,614,804,373</b>

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE E: Receivables (Continued)**

Real property taxes collected in 2003 were levied after October 1, 2002 on the assessed values of the preceding January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in tax year 2002. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 23% of true value. In 2003, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State. Real property taxes are payable annually or semi-annually. In 2003, if paid annually, payment was due by February 4, 2003. If paid semi-annually, the first payment (at least ½ of amount billed) was due February 4, 2003 with the remainder due July 8, 2003.

The County Auditor distributes portions of the taxes collected to all taxing districts with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property taxes in June and October for the first and second halves of the year, respectively. The County accrues billed but uncollected property taxes as receivables at their estimated net realizable value. On the modified accrual basis the delinquent taxes outstanding and available to the County within the first 30 days of 2003 were recorded as 2003 revenue, the remaining taxes receivable are offset by a credit to deferred revenue. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills without a vote of the people. For 2003 collections, the County levied 2.10 mills of the 10 mill limit for the General Fund. The County also levied 1.0 mill for the County Capital Fund and .10 for the Park District. In addition to the 3.20 mills, 4.90 mills have been levied for voted millage.

A summary of voted millage follows:

	Voter Authorized Rate (a)	Rate Levied for Current Yr Collection (b)		Final Collection
		Res/Agr	Yr Collection (b) Other	
MRDD (Component Unit)	2.50	0.85	1.20	Continuing
MHRB (Component Unit)	0.50	0.50	0.50	2006
Senior Citizens	1.10	1.10	1.10	2006
Children Services	0.80	0.80	0.80	2006
TOTAL	4.90	3.25	3.60	

(a) dollars per \$1,000 of assessed valuation.

(b) Ohio law provides for a reduction of certain voted levies to offset inflation in the value of real property. The levies are subject to this credit.

**Permissive Sales and Use Tax**

The County is currently collecting 1% on permissible types of sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-fifth day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE E: Receivables (Continued)**

**Intergovernmental**

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$1,058,851
Local Government Revenue Assistance	399,098
Homestead and Rollback	930,668
Motor Vehicle License Tax	1,580,944
Motor Vehicle Gas Tax	823,014
Bridge Replacement Grants	927,708
Community Development Block Grant	140,487
Highway Planning & Construction Grants	1,255,193
Drug Prevention Grants	86,970
Juvenile Grants	16,669
Miscellaneous Community Grants	3,060
VOTIS Sub-Grant	132,832
Miscellaneous Judicial Grants	71,511
Municipal Court Adult Probation Grant	144,049
Ohio DJFS Grants	42,484
Public Transportation Grant	185,178
Reclaim Ohio Grant	809,728
Recycle Ohio Grant	34,480
TASC Grant	177,646
FEMA Grant	184,669
Emergency Preparedness Grants	775,306
Public Defender Assistance	91,499
Total Governmental Activities	<u>\$9,872,044</u>

**NOTE F: Capital Assets**

Primary Government Capital asset activity for the year ended December 31, 2003, was as follows:

	<u>Balance</u> <u>12/31/2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2003</u>
<b>Governmental Activities</b>				
Capital Assets not being depreciated:				
Land	\$3,578,555	\$85,000	\$0	\$3,663,555
Construction in Progress	18,369,822	16,060,166	(17,595,453)	16,834,535
Total Capital Assets at Historical Cost not being depreciated	<u>21,948,377</u>	<u>16,145,166</u>	<u>(17,595,453)</u>	<u>20,498,090</u>
Capital Assets being depreciated:				
Building and Improvements	41,773,660	60,662	0	41,834,322
Furniture, Fixtures, and Equipment	34,712,820	1,186,548	(619,810)	35,279,558
Infrastructure	112,073,939	16,465,788	(958,043)	127,581,684
Total Capital Assets at Historical cost being depreciated	<u>188,560,419</u>	<u>17,712,998</u>	<u>(1,577,853)</u>	<u>204,695,564</u>

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE F: Capital Assets (Continued)**

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<b>Governmental Activities</b>				
Less Accumulated Depreciation:				
Building and Improvements	(13,457,718)	(1,182,750)	0	(14,640,468)
Furniture, Fixtures, and Equipment	(14,432,683)	(2,705,418)	535,482	(16,602,619)
Infrastructure	(60,074,972)	(5,308,324)	416,824	(64,966,472)
Total Accumulated Depreciation	(87,965,373)	(9,196,492)	952,306	(96,209,559)
Total Capital Assets, being depreciated, net	100,595,046	8,516,506	(625,547)	108,486,005
Governmental Activities Capital Assets, Net	<u>\$122,543,423</u>	<u>\$24,661,672</u>	<u>(\$18,221,000)</u>	<u>\$128,984,095</u>
	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<b>Business-Type Activities</b>				
Capital Assets not being depreciated:				
Land	\$4,062,084	\$506,293	\$0	\$4,568,377
Construction in Progress	11,936,697	428,786	0	12,365,483
Total Capital Assets at Historical Cost not being depreciated	<u>15,998,781</u>	<u>935,079</u>	<u>0</u>	<u>16,933,860</u>
Capital Assets being depreciated:				
Structure	139,305,357	5,154,082	0	144,459,439
Machinery and Equipment	17,293,755	77,726	0	17,371,481
Distributions Systems	65,941,521	3,391,042	0	69,332,563
Collections Systems	106,349,375	3,278,093	0	109,627,468
Autos and Trucks	2,333,357	15,699	(454,111)	1,894,945
Total Capital Assets at Historical cost being depreciated	<u>331,223,365</u>	<u>11,916,642</u>	<u>(454,111)</u>	<u>342,685,896</u>
Less Accumulated Depreciation:				
Structure	(64,262,395)	(4,907,055)	0	(69,169,450)
Machinery and Equipment	(11,172,478)	(1,163,823)	0	(12,336,301)
Distributions Systems	(20,179,439)	(1,367,899)	0	(21,547,338)
Collections Systems	(37,857,726)	(2,458,046)	0	(40,315,772)
Autos and Trucks	(2,135,154)	(49,658)	454,111	(1,730,701)
Total Accumulated Depreciation	(135,607,192)	(9,946,481)	454,111	(145,099,562)
Total Capital Assets, being depreciated, net	195,616,173	1,970,161	0	197,586,334
Business-Type Activities Capital Assets, Net	<u>\$211,614,954</u>	<u>\$2,905,240</u>	<u>\$0</u>	<u>\$214,520,194</u>

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE F: Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities**

General Government:

Legislative and Executive	\$1,409,271
Judicial	204,398
Public Safety	1,578,773
Public Works	5,431,437
Health	11,652
Human Services	229,761
Community Development	187,094
Transportation	144,106
Total Depreciation Expense Governmental Activities	<u>\$9,196,492</u>

Component Units' capital asset activity for the year ended December 31, 2003 was as follows:

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
Capital Assets not being depreciated:				
Land	\$482,517	\$0	\$0	\$482,517
Total Capital Assets at Historical Cost not being depreciated	<u>482,517</u>	<u>0</u>	<u>0</u>	<u>482,517</u>
Capital Assets being depreciated:				
Building and Improvements	11,101,080	0	0	11,101,080
Furniture, Fixtures, and Equipment	1,724,588	5,749	(8,510)	1,721,827
Total Capital Assets at Historical cost being depreciated	<u>12,825,668</u>	<u>5,749</u>	<u>(8,510)</u>	<u>12,822,907</u>
Less Accumulated Depreciation:				
Building and Improvements	(4,399,950)	(352,690)	0	(4,752,640)
Furniture, Fixtures, and Equipment	(1,316,239)	(104,146)	8,510	(1,411,875)
Total Accumulated Depreciation	<u>(5,716,189)</u>	<u>(456,836)</u>	<u>8,510</u>	<u>(6,164,515)</u>
Total Capital Assets, being depreciated, net	<u>7,109,479</u>	<u>(451,087)</u>	<u>0</u>	<u>6,658,392</u>
Governmental Activities Capital Assets, Net	<u>\$7,591,996</u>	<u>(\$451,087)</u>	<u>\$0</u>	<u>\$7,140,909</u>

Depreciation expense was charged to functions/programs of the component units as follows:

Health	\$93,347
Human Services	363,489
Total Depreciation Expense Component unit activities	<u>\$456,836</u>

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE G: Long-Term Debt and Obligations**

Long-term debt and other obligations of the County at December 31, 2003 were as follows:

**Governmental Activities**

	<u>Interest Rate %</u>	<u>Maturity</u>	<u>Balance 12/31/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2003</u>	<u>Amounts Due in One Year</u>
<b>General Obligation Bonds</b>							
1992 Correctional Facilities- \$7,310,000	3.0-6.0%	2009	\$1,500,000	\$0	\$180,000	\$1,320,000	\$190,000
1993 Building Road Improv & Refunding - \$17,585,000	2.5-5.6%	2014	11,310,000	0	11,310,000	0	0
1993 Building Construction - \$12,215,000	3.0-5.15%	2005	3,695,000	0	3,695,000	0	0
1999 Communications Center- \$6,500,000	4.0-5.13%	2009	4,865,000	0	595,000	4,270,000	625,000
2001 Refunding Correctional Facilities-\$2,695,000	2.15-4.0%	2009	2,390,000	0	315,000	2,075,000	320,000
2001 Various Purposes - \$17,300,000	2.15-4.1%	2011	16,935,000	0	380,000	16,555,000	400,000
2003 Road Improvement & Refunding-\$14,950,000	1.15-4.375%	2023	0	14,950,000	0	14,950,000	1,170,000
2003 Building Construction Refunding - \$2,565,000	1.3-1.5%	2005	0	2,565,000	0	2,565,000	1,275,000
<b>Total General Obligation Bonds</b>			<u>\$40,695,000</u>	<u>\$17,515,000</u>	<u>\$16,475,000</u>	<u>\$41,735,000</u>	<u>\$3,980,000</u>

**Ohio Public Works Commission**

2002 Gibson Road Bridge Replacement-\$357,521			<u>\$348,583</u>	<u>\$0</u>	<u>\$17,876</u>	<u>\$330,707</u>	<u>\$17,876</u>
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**Special Assessment Bonds with Governmental Commitment**

1989 Water Line Extension - \$88,000	7.25-7.37%	2009	\$35,000	\$0	\$5,000	\$30,000	\$5,000
1990 Water Line Extension - \$167,700	7.25%	2010	95,000	0	10,000	85,000	10,000
1983 Nine Mile Sewer Bonds - \$34,000	10.25%	2003	2,000	0	2,000	0	0
1983 Nine Mile Bonds - \$584,915	9.50%	2003	30,000	0	30,000	0	0
1984 O'Bannonville Bonds - \$1,735,000	5.00%	2004	190,000	0	95,000	95,000	95,000
1990 Peggy Drive - \$85,000	7.12%	2010	48,000	0	5,000	43,000	5,000
1992 Waterline - \$97,300	5.875%	2012	50,000	0	5,000	45,000	5,000
1993 Murie Lane Sewer - \$93,000	5.50%	2013	55,000	0	5,000	50,000	5,000
1993 Murie Lane System Capacity - \$22,000	5.25%	2003	3,000	0	3,000	0	0

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE G: Long-Term Debt and Obligations (Continued)**

**Governmental Activities**

	<u>Interest Rate %</u>	<u>Maturity</u>	<u>Balance 12/31/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2003</u>	<u>Amounts Due in One Year</u>
<b>Special Assessment Bonds with Governmental Commitment</b>							
1998 Middle East Fork Sewer - \$1,165,000	4.75-5.25%	2017	840,000	0	75,000	765,000	80,000
1998 Bells Lane - \$405,000	4.50%	2008	265,000	0	40,000	225,000	40,000
1998 Ohio Water Project - \$185,000	4.90%	2018	165,000	0	5,000	160,000	5,000
1999 Woods Point - \$690,000	4.05-5.20%	2009	515,000	0	65,000	450,000	65,000
2000 Gibson Water - \$235,000	5.00-5.50%	2020	225,000	0	10,000	215,000	10,000
2000 State Route 125 Sewer - \$885,000	5.00-5.50%	2020	830,000	0	30,000	800,000	30,000
2001 Miami Road & Wards Corner Road - \$40,000	5.00%	2021	39,000	0	1,000	38,000	2,000
2002 Waterline Project - \$60,000	4.00-5.00%	2020	60,000	0	2,000	58,000	2,000
2002 Sanitary Sewer Project - \$260,000	4.00-5.00%	2020	260,000	0	10,000	250,000	10,000
2003 Various Purpose - \$240,000	2.00-4.75%	2023	0	240,000	0	240,000	9,000
<b>Total Special Assessment Bonds</b>			<u>\$3,787,000</u>	<u>\$240,000</u>	<u>\$403,000</u>	<u>\$3,624,000</u>	<u>\$383,000</u>
Compensated Absences			<u>\$3,273,688</u>	<u>\$2,161,188</u>	<u>\$1,694,219</u>	<u>\$3,740,657</u>	<u>\$1,957,518</u>
<b>Total Governmental Activities Long-Term Liabilities</b>			<u>\$48,104,271</u>	<u>\$19,916,188</u>	<u>\$18,590,095</u>	<u>\$49,430,364</u>	<u>\$6,338,394</u>

**Business-Type Activities**

	<u>Interest Rate %</u>	<u>Maturity</u>	<u>Balance 12/31/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2003</u>	<u>Amounts Due in One Year</u>
<b>Sewer</b>							
1984 O'Bannonville Revenue Bonds - \$5,970,000	5.00%	2024	\$4,595,000	\$0	\$4,595,000	\$0	\$0
1993 Sewer System Refunding Revenue Bonds - \$48,280,000	2.6-5.2%	2021	38,320,000	0	38,320,000	0	0
2003 Sewer System Refunding Revenue Bonds - \$39,345,000	2.0-4.9%	2024	0	39,345,000	0	39,345,000	1,785,000
<b>Total Sewer Revenue Bonds</b>			<u>42,915,000</u>	<u>39,345,000</u>	<u>42,915,000</u>	<u>39,345,000</u>	<u>1,785,000</u>
Ohio Water Development Authority Notes - \$2,900,437	5.2-6.5%	2014	1,727,124	0	133,519	1,593,605	140,775
OPWC Loans - \$5,149,610	2.00%	2023	3,399,422	970,000	123,450	4,245,972	228,669
<b>Total Sewer</b>			<u>\$48,041,546</u>	<u>\$40,315,000</u>	<u>\$43,171,969</u>	<u>\$45,184,577</u>	<u>\$2,154,444</u>

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE G: Long-Term Debt and Obligations (Continued)**

**Business-Type Activities**

	Interest Rate %	Maturity	Balance 12/31/2002	Additions	Deletions	Balance 12/31/2003	Amounts Due in One Year
<b>Water</b>							
1993 Water System Refunding Revenue Bonds - \$57,885,000	2.6-5.8%	2018	\$42,835,000	\$0	\$42,835,000	\$0	\$0
2003 Waterworks System Refunding Revenue Bonds - \$37,020,000	1.2-5.25%	2018	0	37,020,000	0	37,020,000	2,055,000
Total Water Revenue Bonds			<u>42,835,000</u>	<u>37,020,000</u>	<u>42,835,000</u>	<u>37,020,000</u>	<u>2,055,000</u>
OPWC Loans - \$588,000	0.00%	2024	0	588,000	0	588,000	14,700
<b>Total Water</b>			<u>\$42,835,000</u>	<u>\$37,608,000</u>	<u>\$42,835,000</u>	<u>\$37,608,000</u>	<u>\$2,069,700</u>
<b>Total Business-Type Activities</b>			<u>\$90,876,546</u>	<u>\$77,923,000</u>	<u>\$86,006,969</u>	<u>\$82,792,577</u>	<u>\$4,224,144</u>

Annual debt service requirements for the County's long-term debt are as follows:

Year	GENERAL OBLIGATION BONDS		SPECIAL ASSESSMENT BONDS	
	Principal	Interest	Principal	Interest
2004	\$3,980,000	\$1,667,079	\$383,000	\$185,989
2005	4,220,000	1,380,778	303,000	166,325
2006	4,340,000	1,267,991	321,000	151,424
2007	4,530,000	1,098,441	320,000	135,573
2008	4,775,000	939,803	288,000	119,606
2009-2013	18,165,000	2,005,737	871,000	422,028
2014-2018	1,340,000	161,584	800,000	211,094
2019-2023	385,000	51,806	338,000	37,133
<b>TOTAL</b>	<u>\$41,735,000</u>	<u>\$8,573,219</u>	<u>\$3,624,000</u>	<u>\$1,429,172</u>

**OPWC GIBSON ROAD BRIDGE PROJECTION LOAN**

Year	Principal	Interest
2004	\$17,876	\$0
2005	17,876	0
2006	17,876	0
2007	17,876	0
2008	17,876	0
2009-2013	89,380	0
2014-2018	89,380	0
2019-2022	62,567	0
<b>TOTAL</b>	<u>\$330,707</u>	<u>\$0</u>



**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE G: Long-Term Debt and Obligations (Continued)**

SEWER REVENUE BONDS			WATER REVENUE BONDS	
Year	Principal	Interest	Principal	Interest
2004	\$1,785,000	\$1,332,791	\$2,055,000	\$1,413,560
2005	1,635,000	1,482,670	1,950,000	1,517,405
2006	1,665,000	1,449,970	2,005,000	1,458,905
2007	1,700,000	1,416,670	2,070,000	1,398,755
2008	1,750,000	1,365,670	2,125,000	1,343,900
2009-2013	9,775,000	5,814,850	11,900,000	5,437,875
2014-2018	11,900,000	3,679,200	14,915,000	2,428,912
2019-2023	8,895,000	950,353		
2024	240,000	11,760		
<b>TOTAL</b>	<b>\$39,345,000</b>	<b>\$17,503,934</b>	<b>\$37,020,000</b>	<b>\$14,999,312</b>

OWDA LOANS			OPWC LOANS	
Year	Principal	Interest	Principal	Interest
2004	\$140,775	\$84,396	\$243,369	\$13,078
2005	148,429	76,744	283,421	11,976
2006	156,498	68,673	284,545	10,853
2007	165,011	60,161	285,692	9,704
2008	173,988	51,184	286,862	8,535
2009-2013	808,904	105,841	1,452,694	24,288
2014-2018			1,169,499	1,005
2019-2023			788,940	
2024			38,950	
<b>TOTAL</b>	<b>\$1,593,605</b>	<b>\$446,999</b>	<b>\$4,833,972</b>	<b>\$79,439</b>

**Compensated Absences**

Internal Service Funds predominately serve the governmental funds. Accordingly compensated absences for them are included as part of the compensated absences totals for governmental activities. Compensated Absences are generally liquidated by the general fund.

**Special Assessment Debt**

During 2003, the County issued one special assessment bond issue totaling \$240,000. The special assessment debt was issued to provide funds for the construction of waterline projects for various property owners on various roads.

**General Obligation Debt**

A general obligation bond issue totaling \$17,515,000 was issued in 2003. \$13,395,000 in general obligation debt was issued to refinance the 1993 Building and Road Improvement Debt. \$2,935,000 in general obligation debt was issued to pay the Bond Anticipation Note. \$1,185,000 in general obligation debt was issued to finance the Stonelick-Olive Branch/State Route 32 Project.

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

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**NOTE G: Long-Term Debt and Obligations (Continued)**

In 2003, the County held a Bond Anticipation Note in the amount of \$3,300,000. A principal payment of \$365,000 was paid by the County during the year, and the balance of the note was refinanced with \$2,935,000 in general obligation debt.

**OPWC Loan**

The County received a \$970,000 non-interest bearing loan due to the Ohio Public Works Commission for the Rancho Lane Sewer Replacement Project. The loan requires semi-annual payments of \$24,250 commencing July 1, 2004 through January 1, 2024.

The County received a \$588,000 non-interest bearing loan due to the Ohio Public Works Commission for specified water system constructions costs. The loan requires semi-annual payments of \$14,700 commencing July 1, 2004 through January 1, 2024.

**Revenue Refunding Bonds**

The County issued Waterworks System Revenue Improvement and Refunding Bonds, Series 2003, in the amount of \$37,020,000 dated September 1, 2003 to refund the outstanding Series 1993 water revenue bonds of the County. The current refunding was undertaken to reduce total debt service payments over the next 15 years by \$10,300,000 and resulted in an economic gain of \$2,800,000.

The County issued Sewer System Refunding Revenue Bonds, Series 2003 dated September 15, 2003 in the amount of \$39,345,000 dated September 15, 2003 to refund the outstanding Series 1993 Sewer Revenue Bonds of the County. The current refunding was undertaken to reduce total debt service payments over the next 21 years by \$8,300,000 and resulted in an economic gain of \$1,500,000.

**Advance Refunding Debt**

The net proceeds of the \$13,395,000 of general obligation refunding bonds were placed in escrow to call the Building Road Improvement and Refunding Bonds, Series 1993 on July 1, 2003. As a result, the 1993 Series bonds are considered to be defeased and the liability for those bonds has been moved from the Governmental Activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$270,000. This amount and the bond issuance costs were deemed immaterial and were not amortized over the remaining life of the new debt issue. The advance refunding was undertaken to reduce total debt service payments over the next eleven years by \$1,325,306 and resulted in an economic gain of \$1,255,857.

**Long-Term Bonds and Loans**

All long-term debt issued for governmental purposes of the County and self-supporting, special assessment bonds with governmental commitment are retired from a Debt Service Fund. Revenue bonds are retired from the related Enterprise fund. However, each appropriate bond indenture provides for principal and interest to be paid from user charges. General obligation bonds and notes are secured by the County's ability to levy a voted or unvoted property tax within limitations of Ohio law. Special assessment debt is paid from the proceeds of assessments levied against benefited property owners. In the event that an assessed property owner fails to make payments, the County will be required to pay the related debt. Delinquent special assessments receivable is \$26,172. Future funding requirements for bond anticipation notes are determinable upon the conversion of the notes to bonds. The Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans will be paid from revenues derived by the County from the operation of the water and sewer systems. Under the Uniform Bond Act of the Ohio Revised Code, the County has the capacity to issue \$12,850,671 of additional unvoted general obligation debt.

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE G: Long-Term Debt and Obligations (Continued)**

**Defeased Debt**

In prior years, the County defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2003, \$16,505,000 general obligation bonds and \$955,000 of revenue bonds are considered defeased.

**Leases:** The County had no material capital or operating leases for the year ended December 31, 2003.

**Revenue Bond Coverage:** The County Water and Sewer funds are required under Revenue Bond Trust Indentures to maintain minimum debt service coverage ratios. For the 2003 fiscal year, the Water Fund and Sewer Fund were required to maintain 110% coverage ratios. The coverage ratios for 2003, based on operating income, system capacity charges and investment income and excluding depreciation for the Water Fund and Sewer Fund, were 211% and 316% respectively, which both met their legal requirements.

**Component Units:** The Community Mental Health and Recovery Board (MHRB) and Board of Mental Retardation and Developmental Disabilities (MRDD, including Clerco Inc.) are liable for the following long-term obligations. The MHRB loans are payable from debt service funds included in the component unit financial statements.

Long-term debt and other obligations of the component units at December 31, 2003 were as follows:

	<u>Interest Rate %</u>	<u>Maturity</u>	<u>Balance 12/31/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2003</u>	<u>Amounts Due in One Year</u>
1991 MHRB FHA Loan- \$244,000	7.00%	2018	\$189,476	\$0	\$6,665	\$182,811	\$7,145
1996 MHRB FHA Loan- \$624,000	5.75%	2025	457,507	0	25,822	431,685	19,609
Compensated Absences			844,140	231,638	320,113	755,665	310,951
Total Long-term Obligations			<u>\$1,491,123</u>	<u>\$231,638</u>	<u>\$352,600</u>	<u>\$1,370,161</u>	<u>\$337,705</u>

Debt service requirements for component unit long-term debt are as follows:

**MHRB LOANS**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>
2004	\$26,754	\$37,302
2005	28,429	35,627
2006	30,209	33,847
2007	32,101	31,955
2008	34,113	29,943
2009-2013	205,493	114,787
2014-2018	257,397	41,620
<b>TOTAL</b>	<u><b>\$614,496</b></u>	<u><b>\$325,081</b></u>

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

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**NOTE H: Conduit Debt Obligation**

The County periodically has issued Hospital Facility, Economic Development, Industrial Development and Multi-Family Housing revenue bonds. The proceeds of these issues are used to acquire, construct, improve, expand and equip facilities associated with private-sector entities. Trustees make the principal and interest payments on the outstanding bonds. The issued bonds do not constitute a general obligation, debt or bonded indebtedness of the County nor is the full faith and credit or taxing power of the County pledged to make repayment. The County issued \$250,000,000 in Hospital Facilities Revenue Refunding Bonds to refund the 1993 Hospital Facilities Revenue Refunding Bonds. As of December 31, 2003, it is estimated that \$390,163,000 was still outstanding of previously issued bonds.

**NOTE I: Defined Benefit Pension Plans**

**Public Employees Retirement System:**

All County full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (OPERS) which is a public employee retirement system created by the State of Ohio. OPERS administers three separate pension plans. The Traditional Pension Plan is a cost sharing multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions. The Combined Plan is a cost-sharing multiple-employer defined benefit pension plan where the contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. OPERS, who administers the plan, provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2003 was 8.5% for employees other than law enforcement. The law enforcement classification consists of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The 2003 employer contribution rate was 13.55% of covered payroll, 8.55% was the portion used to fund pension obligations. The 2003 employer contribution rate for both the law enforcement and public safety divisions was 16.70% of covered payroll, 11.70% was the portion used to fund pension obligations. The County's contributions for pension obligations to PERS for the years ended December 31, 2003, 2002 and 2001 were \$6,885,599, \$6,504,656, and \$5,776,719 respectively, 100% has been contributed for the years 2003, 2002 and 2001.

**State Teachers Retirement System**

Certified teachers employed by the school for the Mental Retarded/Developmentally Disabled participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS administers three separate pension plans. The Defined Benefit Plan is a cost sharing multiple-employer defined benefit pension plan. Benefits are established by Chapter 3307 of the Ohio Revised Code. The Defined Contribution Plan allows the member to allocate the member and employer money among various investment choices. Benefits are established under sections 3307.80 to 3307.89 of the Ohio Revised Code. The Combined Plan allows members to allocate their contributions to their selected investment choices and the employer contributions are used to fund a defined benefit payment. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**NOTE I: Defined Benefit Pension Plans (Continued)**

members and beneficiaries. Members of the Defined Contribution plan are not eligible for health care benefits. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 10% of their annual covered salary and the County is required to contribute 14%. For fiscal year ended June 30, 2003, 13% was the portion of County contribution used to fund pension obligations and for fiscal year ended June 30, 2002, 9.5% was the portion of County contribution used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Effective July 1 2003, the STRS Board increased the member contribution rate from 9.3% to 10%. The County's contributions for pension obligations to STRS for the years ended December 31, 2003, 2002, and 2001 were \$166,884, \$197,907, and \$211,942 respectively, 100% has been contributed for the years 2003, 2002 and 2001.

**NOTE J: Post-Employment Benefits Other Than Pension Benefits**

The Ohio Public Employees Retirement System (PERS) provides postretirement health care coverage to qualifying members of both the Traditional and the Combined Plans. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2003 employer contribution rate was 13.55 % of covered payroll for employees not engaged in law enforcement, 5.00 % was the portion that was used to fund health care. For law enforcement employees, the employer contribution rate was 16.70% of which 5.00% was used to fund health care.

Assumptions and calculations were based on the System's latest Actuarial Review performed as of December 31, 2002. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase were assumed to range from .50% to 6.30%. Health care costs were assumed to increase 4.00% annually. All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets.

At December 31, 2003, the total number of active contributing participants was 364,881. The 2003 rate of 5.00% was the actuarially determined contribution requirements for PERS. As of December 31, 2002, the net assets available for future OPEB were \$10.0 billion. The County's actual contributions for 2003 which were used to fund OPEB were \$2,208,771 for employees other than law enforcement and \$211,677 for law enforcement employees. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**NOTE J: Post-Employment Benefits Other Than Pension Benefits (Continued)**

In December 2001, the Board adopted the Health Care "Choices" plan in its continuing effort to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit.

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS.

All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contributions. The employer health care contributions were 1% for fiscal year ended June 30, 2003 and for fiscal year ended June 30, 2002 were 4.5%. The County's actual contribution for 2003 which were used to fund the Health Care Reserve was \$11,921. As of June 30, 2003, eligible benefits recipients totaled 108,294. For the year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000.

**NOTE K: Other Employee Benefits**

County employees have the option of participating in four state-wide deferred compensation plans created in accordance with the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time. According to this plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) must be held in a trust, custodial account, or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Deferred amounts from the plan are not considered "made available" just because a trust, custodial account or annuity contract holds these amounts. The Plan Agreement states that the County and the plan administrators have no liability for losses under the plan with the exception of fraud or wrongful taking.

**NOTE L: Contingencies and Commitments**

**Consent Order Dated November 7, 1989:**

The Office of the Ohio Attorney General has brought suit on behalf of the Environmental Protection Agency relating to violations of the NPDES permits issued to the County. A consent order was placed on record on November 7, 1989 establishing certain time frames for construction of improvements to the facilities and establishing certain landmark dates for the completion of interim work. Management believes that the County is currently in compliance with the consent order.

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE L: Contingencies and Commitments (Continued)**

**Other Civil Claims:**

The County is a defendant in a number of claims and lawsuits which may be classified as routine litigation in which minimal nonmaterial damages are being sought. In addition, the County is a defendant in numerous other claims and lawsuits in which the County believes either they will prevail in the litigation or the amounts claimed are overstated and not fair estimates of the ultimate settlements, if any. Amounts paid by the County in 2003 for litigation settled were not material. There are no liabilities associated with any contingencies carried in the accompanying financial statements based upon the information disclosed in the above paragraph.

**Construction Commitments:**

As of December 31, 2003, the County had contractual commitments for construction projects as follows:

Project	Fund	Total Contracts	Completed to Date	Commitment Remaining
Road & Bridge Construction	M V & G	\$1,364,998	\$784,834	\$580,164
Road Improvement	Planning & Development Capital	4,351,354	3,795,667	555,687
Detention Construction	Detention Capital	6,721,630	2,392,327	4,329,303
Justice Buildings Construction	Justice Capital	9,953,082	6,187,480	3,765,602
Miscellaneous Construction	County Capital	227,279	157,651	69,628
Water	Water District	12,990,756	7,667,707	5,323,049
Sewer	Sewer District	14,978,106	11,282,146	3,695,960
Total		<u>\$50,587,205</u>	<u>\$32,267,812</u>	<u>\$18,319,393</u>

**NOTE M: Federal and State Grants**

The County participates in a number of Federal and State assisted grant programs. The significant programs are: FEMA, Work Force Investment Act Grants, Community Development Block grants, Food Stamp Program, Highway planning construction, Transportation grants, Mental Health and Mental Disability grants. These programs are subject to financial and compliance audits by the Auditor of State under the Single Audit Act of 1984, Single Audit Act as amended in 1996 and OMB Circular A-133. At May 31, 2003, the audits of certain programs have been completed. Accordingly, the County's compliance with applicable grant regulations does not have a material adverse effect on the County's financial position.

**Clermont County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**NOTE N: Interfund Receivables/Payables**

Individual fund interfund assets/liabilities balances as of December 31, 2003, related to the primary government were as follows:

GOVERNMENTAL ACTIVITIES	ASSET	LIABILITY
	Interfund Receivable	Interfund Payable
General	\$1,896,820	\$325,209
County Capital Improvement	200,000	0
Nonmajor Governmental Funds		2,096,820
<b>BUSINESS-TYPE ACTIVITIES</b>		
Water	110,491	0
Sewer	214,718	0
<b>TOTAL</b>	<b>\$2,422,029</b>	<b>\$2,422,029</b>

During 2003, the County General fund made advances to nonmajor governmental funds in anticipation of intergovernmental grant revenue. In 1997, the County approved the sale of certain fixed assets of the Water and Sewer Funds to the General Fund of the County. Payments for the assets are to be made over a 10 year period. As of December 31, 2003, the sale of the assets resulted in the County General fund recognizing an interfund payable of \$325,209 and the Water and Sewer funds recognizing an interfund receivable in the amounts of \$110,491 and \$214,718 respectively. Remaining interfund activity relates to local funding from the County General Fund and the County Capital Improvement Fund related to County Policies for cash flow and operating cash levels of governmental funds.

**NOTE O: Interfund Transactions**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payment become due, and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

A summary of transfers is as follows:

Transfer To	Transfer From					Total
	General	M V & G	County Capital	Nonmajor Governmental	Internal Service	
General	\$0	\$0	\$0	\$70,836	\$0	\$70,836
Social Services	956,425	0	0	0	0	956,425
M V & G	733	0	0	0	0	733
County Debt Service	868,500	1,197,102	3,215,610	0	0	5,281,212
Judicial Projects	301,600	0	830,980	0	0	1,132,580
County Capital	301,900	0	0	0	90,000	391,900
Nonmajor Governmental	2,483,077	0	138,119	0	0	2,621,196
Water	0	0	0	240,000	0	240,000
<b>TOTALS</b>	<b>\$4,912,235</b>	<b>\$1,197,102</b>	<b>\$4,184,709</b>	<b>\$310,836</b>	<b>\$90,000</b>	<b>\$10,694,882</b>



**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**NOTE O: Interfund Transactions (Continued)**

The County issued and sold \$240,000 of bonds in anticipation of special assessments levied for the purpose of construction of waterlines for various roads on November 1, 2003. The Water and Sewer Funds administrate the construction and maintenance of these projects. Consequently, the County's Capital Project Funds contributed \$240,000 to the Water Fund via transfers.

**NOTE P: Amendments to Original Appropriations Budget**

Amendments beyond the object level must be approved by the Board of County Commissioners. In 2003, the original appropriation measure was increased and decreased by the Commissioners with the net effect as follows: General Fund, \$345,411; Special Revenue Funds, \$3,617,378; Capital Project Funds, (\$8,049,140); and Debt Service Funds, \$48,023.

**NOTE Q: Risk Management**

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Arthur J. Gallagher & Co. administers all County real and personal property, comprehensive general liability including law enforcement liability, blanket crime coverage, public officials liability insurance, fleet insurance, and a comprehensive boiler and machinery coverage.

Other than blanket crime, coroner's professional liability and boiler and machinery, all coverage falls under the County's protected self-insurance program. St. Paul Fire & Marine Insurance Company provides an \$11,000,000 per occurrence limit Liability Package for general liability, automobile liability, law enforcement liability, public entity management liability and a \$2,000,000 limit for Employment Practices Liability. Travelers Indemnity Company provides a \$100,000,000 per occurrence limit for real and personal property coverage. Coverage in the protected self-insurance program is subject to the following per occurrence retentions/deductibles: Property - \$50,000 deductible; Automobile - \$25,000 retention; All Other Liability \$100,000 retention; Combined Maximum (Liability) - \$100,000 retention; Maximum per Year (Liability) - \$500,000 retention.

The United National Insurance Company provides fleet insurance coverage with \$1,000,000 liability limit subject to a \$1,000,000 property damage liability and comprehensive and collision coverage for certain vehicles subject to deductibles of \$25,000. 2003 fleet insurance was subject to a \$25,000 property damage liability and comprehensive and collision coverage. The Travelers Indemnity Company provides boiler and machinery coverage with limits up to \$50,000,000 subject to a \$10,000 deductible. This coverage remains the same as 2002. The Travelers Casualty and Surety Company of America provides the County's crime insurance. The County is insured up to \$250,000 for dishonest acts of employees, theft or destruction of liquid assets, and \$75,000 for money and securities limits. Deductibles are \$1,000 employee dishonesty and \$1,000 money and securities. Crime insurance coverage remains the same with the exception of deductibles. The 2003 deductibles were \$250 employee dishonest and \$1,000 money and securities. Settled claims have not exceeded this commercial coverage in any of the past five years.

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The County has elected to provide employees major medical, vision and hospitalization through a self-insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third party administrator, United Health Care and Dental Care Plus Insurance Companies, reviews all claims which are then paid by the County. The County purchases stop-loss coverage of \$100,000 per employee and an aggregate limit of \$1,000,000. The County pays into the self-

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003

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**NOTE Q: Risk Management (Continued)**

insurance internal service fund \$735.96 for family coverage and \$283.56 for individual coverage per employee per month which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information. The claims liability of \$1,214,712, reported in the Health Insurance fund at December 31, 2003, is estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in 2003 were:

	Claims Balance Beginning of Year	Current Year Claims and Changes in Claims Estimate	Claims Payments	Claims Balance at Year End
2002	\$637,900	\$6,989,131	(\$7,145,856)	\$481,175
2003	\$481,175	\$7,579,248	(\$6,845,711)	\$1,214,712

**CLERMONT COUNTY, OHIO**  
**COMBINING FINANCIAL STATEMENTS**  
**AND**  
**SCHEDULES**

**Clermont County  
Combining Statements - Nonmajor Governmental Funds**

**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Health and Solid Waste District Fund** -This fund is used to account for the County's dog and kennel registration program and solid waste management.

**Real Estate Assessment Fund** -This fund is used to account for the monies collected from tax settlements to finance the appraisal of real property and County Lodging tax collected to finance the Convention and Visitors Bureau of the County.

**Other Legislative Fund** -This fund is used to account for the fees collected by the Certificate of Title office and supplemental fees collected by the Recorder.

**Public Safety Fund** -This fund is used to account for the fees and grants related to law enforcement, probation and community oriented policing.

**Community Transportation Fund** -This fund is used to account for the grants and fees collected to provide door to door public transit service for County residents.

**Judicial Programs Fund** -This fund is used to account for fees and grants to finance advocate, mediation and victim assistance.

**Community Development Fund** -This fund is used to account for federal development blockgrant monies and other developmental grants to fund local improvements to areas in the County with low to moderate income population.

**Computer Legal Research Fund** -This fund is used to account for court fees restricted to computer legal research of the court system.

**Nonmajor Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for the payment of special assessment debt principal and interest which the County is obligated for the payment.

Continued

**Clermont County**  
**Combining Statements - Nonmajor Governmental Funds - Continued**

**Nonmajor Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Public Safety Projects Fund** -This fund is used to account for the financial sources to be used for the construction and renovation of major safety projects and the jail renovation project.

**Social Services Projects Fund** -This fund is used to account for the financial sources to be used for the renovation of the medical social service building.

**Communication Center Projects Fund** -This fund is used to account for the financial sources to be used for the acquisition, construction and improvement of the County's 911 emergency response systems.

**Community Development Projects Fund** - This fund is used to account for the financial sources to be used for the acquisition and construction of infrastructure improvements and community development projects.

**Road Assessment Projects Fund** -This fund is used to account for the financial sources to be used for the acquisition, construction and improvements of county roads.

**Clermont County, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2003**

	Nonmajor Special Revenue Funds			
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,007,405	\$2,244,694	\$601,139	\$2,833,624
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	0
Receivables:				
Accounts	21,436	955	0	1,794
Special Assessments	0	0	0	0
Accrued Interest	0	0	0	1,246
Intergovernmental	34,480	0	0	1,978,545
Prepaid Items	0	0	0	2,125
Loans Receivable	0	0	0	0
<b>Total Assets</b>	<b>\$1,063,321</b>	<b>\$2,245,649</b>	<b>\$601,139</b>	<b>\$4,817,334</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$37,538	\$37,001	\$20,339	\$101,971
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	1,992	26,464	15,030	44,492
Intergovernmental Payable	9,022	370	193	674
Interfund payable	0	0	0	5,500
Deferred Revenue	34,480	0	0	1,835,120
Matured Interest Payable	0	0	0	0
<b>Total Liabilities</b>	<b>83,032</b>	<b>63,835</b>	<b>35,562</b>	<b>1,987,757</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	13,416	140,376	109,336	84,737
Reserved for Loans	0	0	0	0
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	966,873	2,041,438	456,241	2,744,840
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>980,289</b>	<b>2,181,814</b>	<b>565,577</b>	<b>2,829,577</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,063,321</b>	<b>\$2,245,649</b>	<b>\$601,139</b>	<b>\$4,817,334</b>

					Nonmajor Capital Projects Funds		
Community Transportation	Judicial Programs	Community Development	Computer Legal Research	Special Assessment Debt Service	Public Safety Projects	Social Services Projects	Communications Center Projects
\$116,737 0	\$211,385 0	\$1,257,773 0	\$1,831,816 0	\$240,864 0	\$8,731,764 0	\$766,921 0	\$1,135,701 0
1,328 0 0	1,458 0 0	0 0 75	1,936 0 0	0 5,079,344 0	0 0 18,247	0 0 3,382	0 0 0
185,178 4,753 0	71,511 0 0	325,156 0 172,377	0 32,244 0	0 0 0	132,832 0 0	0 0 0	0 0 0
<u>\$307,996</u>	<u>\$284,354</u>	<u>\$1,755,381</u>	<u>\$1,865,996</u>	<u>\$5,320,208</u>	<u>\$8,882,843</u>	<u>\$770,303</u>	<u>\$1,135,701</u>
\$177,892 0 16,738 2,152 50,000 28,864 0	\$9,347 0 5,693 96 0 69,841 0	\$494,030 0 0 0 141,320 163,040 0	\$32,773 0 1,702 2,789 0 0 0	\$0 0 0 0 0 5,078,635 8,863	\$0 624,697 0 0 0 145,244 0	\$0 0 0 0 0 2,300 0	\$0 9,225 0 0 0 0 0
<u>275,646</u>	<u>84,977</u>	<u>798,390</u>	<u>37,264</u>	<u>5,087,498</u>	<u>769,941</u>	<u>2,300</u>	<u>9,225</u>
21,035 0	2,315 0	223,483 172,377	216,339 0	0 0	3,712,455 0	1,504 0	43,125 0
11,315 0 0	197,062 0 0	561,131 0 0	1,612,393 0 0	0 232,710 0	0 0 4,400,447	0 0 766,499	0 0 1,083,351
<u>32,350</u>	<u>199,377</u>	<u>956,991</u>	<u>1,828,732</u>	<u>232,710</u>	<u>8,112,902</u>	<u>768,003</u>	<u>1,126,476</u>
<u>\$307,996</u>	<u>\$284,354</u>	<u>\$1,755,381</u>	<u>\$1,865,996</u>	<u>\$5,320,208</u>	<u>\$8,882,843</u>	<u>\$770,303</u>	<u>\$1,135,701</u>

Continued

**Clermont County, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2003 -Continued**

	Community Development Projects	Road Assessment Projects	Total NonMajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,902,714	\$0	\$23,882,537
Cash and Cash Equivalents with Fiscal & Escrow Agent	4,957	4,639	9,596
Receivables:			
Accounts	0	0	28,907
Special Assessments	0	0	5,079,344
Accrued Interest	0	0	22,950
Intergovernmental	170,042	0	2,897,744
Prepaid Items	0	0	39,122
Loans Receivable	0	0	172,377
<b>Total Assets</b>	<b>\$3,077,713</b>	<b>\$4,639</b>	<b>\$32,132,577</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$910,891
Contracts Payable	362,393	0	996,315
Accrued Wages and Benefits	0	0	112,111
Intergovernmental Payable	256	0	15,552
Interfund payable	1,900,000	0	2,096,820
Deferred Revenue	166,982	0	7,524,506
Matured Interest Payable	0	0	8,863
<b>Total Liabilities</b>	<b>2,429,631</b>	<b>0</b>	<b>11,665,058</b>
<b>Fund Balances</b>			
Reserved for Encumbrances	195,573	0	4,763,694
Reserved for Loans	0	0	172,377
Unreserved			
Undesignated, Reported in:			
Special Revenue Funds	0	0	8,591,293
Debt Service Funds	0	0	232,710
Capital Projects Funds	452,509	4,639	6,707,445
<b>Total Fund Balances</b>	<b>648,082</b>	<b>4,639</b>	<b>20,467,519</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$3,077,713</b>	<b>\$4,639</b>	<b>\$32,132,577</b>



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**Clermont County, Ohio****Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance****Nonmajor Governmental Funds****For the Year Ended December 31, 2003**

	Nonmajor Special Revenue Funds				
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety	Community Transportation
<b>Revenues</b>					
Property and Other Taxes	\$0	\$443,691	\$0	\$0	\$0
Charges for Services	306,493	2,088,446	1,211,105	178,106	713,850
Licenses and Permits	201,929	890	0	0	0
Fines and Forfeitures	34,281	0	0	254,566	0
Intergovernmental	136,514	0	0	2,735,768	993,240
Special Assessments	0	0	0	0	0
Investment Earnings	0	8,386	0	8,293	0
Net Decrease in Fair Value of Investments	0	0	0	(3,033)	0
Other	227	0	0	9,022	5,790
<b>Total Revenues</b>	<b>679,444</b>	<b>2,541,413</b>	<b>1,211,105</b>	<b>3,182,722</b>	<b>1,712,880</b>
<b>Expenditures</b>					
Current:					
General Government					
Legislative and Executive	0	1,851,482	1,090,684	0	0
Judicial	0	0	0	0	0
Public Safety	0	0	0	2,793,847	0
Health	585,723	0	0	0	0
Transportation	0	0	0	0	1,788,971
Capital Outlay	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<b>Total Expenditures</b>	<b>585,723</b>	<b>1,851,482</b>	<b>1,090,684</b>	<b>2,793,847</b>	<b>1,788,971</b>
Excess of Revenues Over (Under) Expenditures	93,721	689,931	120,421	388,875	(76,091)
<b>Other Financing Sources (Uses)</b>					
General Obligation Bonds Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Transfers In	0	0	150,000	367,407	0
Transfers Out	0	0	0	0	0
Proceeds from the Sale of Capital Assets	0	88	0	1,100	14,300
Other Financing Sources - Premium	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>88</b>	<b>150,000</b>	<b>368,507</b>	<b>14,300</b>
<b>Net Change in Fund Balances</b>	<b>93,721</b>	<b>690,019</b>	<b>270,421</b>	<b>757,382</b>	<b>(61,791)</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>886,568</b>	<b>1,491,795</b>	<b>295,156</b>	<b>2,072,195</b>	<b>94,141</b>
<b>Fund Balances End of Year</b>	<b>\$980,289</b>	<b>\$2,181,814</b>	<b>\$565,577</b>	<b>\$2,829,577</b>	<b>\$32,350</b>

Judicial Programs	Community Development	Computer Legal Research	Special Assessment Debt Service	Nonmajor Capital		
				Public Safety Projects	Social Services Projects	Communications Center Projects
\$0	\$0	\$0	\$0	\$0	\$0	\$0
144,504	725	515,654	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
63,691	2,490,190	0	0	260,287	0	0
0	0	0	616,329	0	0	0
0	473	0	0	124,320	17,494	0
0	(183)	0	0	(44,360)	(8,221)	0
3,185	131,658	0	215	0	0	0
211,380	2,622,863	515,654	616,544	340,247	9,273	0
0	0	0	0	0	0	0
287,266	0	325,473	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	2,613,849	43,485	73,947
0	2,229,214	0	0	0	0	0
0	0	0	403,000	0	0	0
0	0	0	201,323	0	0	0
287,266	2,229,214	325,473	604,323	2,613,849	43,485	73,947
(75,886)	393,649	190,181	12,221	(2,273,602)	(34,212)	(73,947)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
115,100	0	0	0	1,626,889	195,200	166,600
0	(70,836)	0	0	0	0	0
0	0	26	0	0	0	0
0	0	0	0	0	0	0
115,100	(70,836)	26	0	1,626,889	195,200	166,600
39,214	322,813	190,207	12,221	(646,713)	160,988	92,653
160,163	634,178	1,638,525	220,489	8,759,615	607,015	1,033,823
\$199,377	\$956,991	\$1,828,732	\$232,710	\$8,112,902	\$768,003	\$1,126,476

Continued

**Clermont County, Ohio**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2003 - Continued**

	Projects Funds		
	Community Development Projects	Road Assessment Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property and Other Taxes	\$0	\$0	\$443,691
Charges for Services	0	0	5,158,883
Licenses and Permits	0	0	202,819
Fines and Forfeitures	0	0	288,847
Intergovernmental	1,366,162	1,853,665	9,899,517
Special Assessments	0	230,660	846,989
Investment Earnings	3,622	11,160	173,748
Net Decrease in Fair Value of Investments	0	0	(55,797)
Other	0	0	150,097
<b>Total Revenues</b>	<b>1,369,784</b>	<b>2,095,485</b>	<b>17,108,794</b>
<b>Expenditures</b>			
Current:			
General Government			
Legislative and Executive	0	0	2,942,166
Judicial	0	0	612,739
Public Safety	0	0	2,793,847
Health	0	0	585,723
Transportation	0	0	1,788,971
Capital Outlay	1,743,913	2,429,013	6,904,207
Intergovernmental	0	0	2,229,214
Debt Service:			
Principal Retirement	0	0	403,000
Interest and Fiscal Charges	0	40,528	241,851
<b>Total Expenditures</b>	<b>1,743,913</b>	<b>2,469,541</b>	<b>18,501,718</b>
Excess of Revenues Over (Under) Expenditures	(374,129)	(374,056)	(1,392,924)
<b>Other Financing Sources (Uses)</b>			
General Obligation Bonds Issued	1,185,000	2,935,000	4,120,000
Special Assessment Bonds Issued	0	240,000	240,000
Transfers In	0	0	2,621,196
Transfers Out	0	(240,000)	(310,836)
Proceeds from the Sale of Capital Assets	0	0	15,514
Other Financing Sources - Premium	6,335	37,565	43,900
<b>Total Other Financing Sources (Uses)</b>	<b>1,191,335</b>	<b>2,972,565</b>	<b>6,729,774</b>
Net Change in Fund Balances	817,206	2,598,509	5,336,850
Fund Balances (Deficit) at Beginning of Year	(169,124)	(2,593,870)	15,130,669
Fund Balances End of Year	\$648,082	\$4,639	\$20,467,519

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

**Clermont County, Ohio.**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
<b>Revenues:</b>				
Taxes.....	\$27,733,280	\$27,733,280	\$26,648,454	(\$1,084,826)
Charges for services.....	9,551,464	9,551,464	10,649,376	1,097,912
Licenses and permits.....	1,213,800	1,213,800	1,252,836	39,036
Fines and forfeitures.....	1,420,700	1,420,700	1,372,613	(48,087)
Intergovernmental.....	3,842,397	3,842,397	4,597,046	754,649
Investment earnings.....	3,182,288	3,182,288	2,828,508	(353,780)
All other revenues.....	824,656	824,656	1,277,700	453,044
Total revenues.....	47,768,585	47,768,585	48,626,533	857,948
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
<b>Legislative and executive</b>				
Commissioners				
Personal services.....	891,136	893,469	859,715	33,754
Purchased services.....	321,523	264,196	229,923	34,273
Materials and supplies.....	18,362	24,998	21,833	3,165
Maintenance and repair.....	7,242	6,585	5,490	1,095
Utilities.....	17,775	17,128	15,263	1,865
Total Commissioners.....	1,256,038	1,206,376	1,132,224	74,152
Department of Personnel				
Personal services.....	360,026	360,026	332,223	27,803
Purchased services.....	40,801	33,337	15,051	18,286
Materials and supplies.....	9,141	11,141	8,502	2,639
Maintenance and repair.....	3,128	4,928	2,704	2,224
Utilities.....	3,500	4,150	4,032	118
Total Department of Personnel.....	416,596	413,582	362,512	51,070
Department of Management & Budget				
Personal services.....	343,482	342,282	300,019	42,263
Purchased services.....	60,329	61,891	50,446	11,445
Materials and supplies.....	8,110	7,611	5,628	1,983
Maintenance and repair.....	18,130	17,280	6,981	10,299
Utilities.....	6,578	6,006	4,580	1,426
Total Dept. of Management & Budget.....	436,629	435,070	367,654	67,416
Facilities Maintenance				
Personal services.....	659,130	677,609	672,682	4,927
Purchased services.....	477,646	471,958	407,218	64,740
Materials and supplies.....	164,633	164,285	159,065	5,220
Maintenance and repair.....	89,211	72,441	66,201	6,240
Utilities.....	1,056,426	966,682	966,597	85
Capital outlay.....	8,025	5,009	5,009	0
Total Facilities Maintenance.....	2,455,071	2,357,984	2,276,772	81,212

Continued

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
<b>Auditor - General Office</b>				
Personal services.....	\$909,484	\$909,484	\$839,646	\$69,838
Purchased services.....	30,202	29,302	28,413	889
Materials and supplies.....	32,620	33,001	31,891	1,110
Maintenance and repair.....	27,694	24,388	24,229	159
Utilities.....	9,309	12,709	12,709	0
<b>Total Auditor - General Office.....</b>	<b>1,009,309</b>	<b>1,008,884</b>	<b>936,888</b>	<b>71,996</b>
<b>Auditor - Personal Property</b>				
Personal services.....	48,839	51,900	46,297	5,603
Purchased services.....	5,000	5,000	2,334	2,666
Materials and supplies.....	6,181	6,042	5,410	632
Maintenance and repair.....	2,000	2,000	0	2,000
Utilities.....	509	469	469	0
<b>Total Auditor-Personal Property.....</b>	<b>62,529</b>	<b>65,411</b>	<b>54,510</b>	<b>10,901</b>
<b>Information Systems</b>				
Personal services.....	1,445,944	1,445,944	1,364,470	81,474
Purchased services.....	271,092	241,016	205,143	35,873
Materials and supplies.....	71,846	64,366	46,503	17,863
Maintenance and repair.....	303,600	286,391	173,450	112,941
Utilities.....	147,494	157,456	156,456	1,000
<b>Total Information Systems.....</b>	<b>2,239,976</b>	<b>2,195,173</b>	<b>1,946,022</b>	<b>249,151</b>
<b>Records Retention</b>				
Personal services.....	125,004	125,004	98,474	26,530
Purchased services.....	6,050	10,204	8,091	2,113
Materials and supplies.....	7,769	7,494	7,353	141
Maintenance and repair.....	4,270	4,230	4,208	22
Utilities.....	3,720	3,720	3,500	220
<b>Total Records Retention.....</b>	<b>146,813</b>	<b>150,652</b>	<b>121,626</b>	<b>29,026</b>
<b>Budget Commission</b>				
Purchased services.....	300	800	493	307
Materials and supplies.....	1,625	900	656	244
<b>Total Budget Commission.....</b>	<b>1,925</b>	<b>1,700</b>	<b>1,149</b>	<b>551</b>
<b>Board of Revision</b>				
Purchased services.....	6,046	6,046	3,495	2,551
Materials and supplies.....	2,804	2,742	1,842	900
<b>Total Board of Revision.....</b>	<b>8,850</b>	<b>8,788</b>	<b>5,337</b>	<b>3,451</b>
<b>Bureau of Inspection</b>				
Purchased services.....	89,400	95,800	87,543	8,257
Utilities.....	600	600	584	16
<b>Total Board of Inspection.....</b>	<b>90,000</b>	<b>96,400</b>	<b>88,127</b>	<b>8,273</b>

Continued

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
<b>Auditor - BMV</b>				
Personal services.....	\$333,336	\$333,336	\$326,158	\$7,178
Purchased services.....	34,090	33,490	31,460	2,030
Materials and supplies.....	3,683	3,670	2,253	1,417
Maintenance and repair.....	1,000	400	0	400
Utilities.....	3,378	4,578	4,534	44
<b>Total Auditor - BMV.....</b>	<b>375,487</b>	<b>375,474</b>	<b>364,405</b>	<b>11,069</b>
<b>Auditor - Tax Map</b>				
Personal services.....	99,697	99,697	96,768	2,929
Purchased services.....	4,510	1,450	1,080	370
Materials and supplies.....	13,924	9,655	9,298	357
Maintenance and repair.....	9,322	12,122	11,371	751
Utilities.....	1,850	3,050	2,742	308
<b>Total Auditor - Tax Map.....</b>	<b>129,303</b>	<b>125,974</b>	<b>121,259</b>	<b>4,715</b>
<b>Treasurer</b>				
Personal services.....	491,350	491,350	472,512	18,838
Purchased services.....	156,385	156,235	124,305	31,930
Materials and supplies.....	66,457	66,321	64,342	1,979
Maintenance and repair.....	31,282	31,154	27,268	3,886
Utilities.....	8,368	8,368	8,179	189
<b>Total Treasurer.....</b>	<b>753,842</b>	<b>753,428</b>	<b>696,606</b>	<b>56,822</b>
<b>Prosecuting Attorney</b>				
Personal services.....	2,223,795	2,227,700	2,169,533	58,167
Purchased services.....	75,075	68,745	54,404	14,341
Materials and supplies.....	25,115	23,086	18,357	4,729
Maintenance and repair.....	16,369	14,551	12,206	2,345
Utilities.....	18,495	18,193	17,593	600
<b>Total Prosecuting Attorney.....</b>	<b>2,358,849</b>	<b>2,352,275</b>	<b>2,272,093</b>	<b>80,182</b>
<b>Board of Elections</b>				
Personal services.....	546,052	546,052	512,478	33,574
Purchased services.....	340,000	323,617	233,086	90,531
Materials and supplies.....	70,208	83,208	81,179	2,029
Maintenance and repair.....	17,927	17,927	15,323	2,604
Utilities.....	6,575	7,275	7,139	136
<b>Total Board of Elections.....</b>	<b>980,762</b>	<b>978,079</b>	<b>849,205</b>	<b>128,874</b>
<b>Recorder</b>				
Personal services.....	424,616	437,812	433,980	3,832
Purchased services.....	9,133	8,333	7,977	356
Materials and supplies.....	26,713	23,404	22,319	1,085
Maintenance and repair.....	12,000	8,000	6,946	1,054
Utilities.....	6,636	6,636	6,445	191
<b>Total Recorder.....</b>	<b>479,098</b>	<b>484,185</b>	<b>477,667</b>	<b>6,518</b>

Continued



**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Insurance, Health and Judgements				
Personal services.....	\$215,000	\$212,840	\$195,829	\$17,011
Purchased services.....	644,906	642,606	615,657	26,949
Total Insurance, Health and Judgements.....	859,906	855,446	811,486	43,960
Legislative and Executive Grants				
Personal services.....	10,000	10,000	0	10,000
Purchased services.....	635,705	635,586	485,870	149,716
Utilities.....	15,000	15,000	0	15,000
Total Legislative and Executive Grants.....	660,705	660,586	485,870	174,716
Capital Purchases				
Material and Supplies.....	344,343	342,495	201,845	140,650
Maintenance and repair.....	15,000	15,000	2,227	12,773
Capital outlay.....	908,937	850,885	850,439	446
Total Capital Purchases.....	1,268,280	1,208,380	1,054,511	153,869
Total legislative and executive.....	15,989,968	15,733,847	14,425,923	1,307,924
<b>Judicial</b>				
Court of Appeals				
Purchased services.....	130,000	130,000	88,755	41,245
Common Pleas Court				
Personal services.....	732,354	730,904	672,330	58,574
Purchased services.....	186,104	171,694	146,819	24,875
Materials and supplies.....	21,514	26,514	26,179	335
Maintenance and repair.....	12,649	12,649	10,874	1,775
Utilities.....	19,675	19,213	16,621	2,592
Total Common Pleas Court.....	972,296	960,974	872,823	88,151
Jury Commission				
Personal services.....	169,044	170,494	166,467	4,027
Purchased services.....	21,855	21,855	12,533	9,322
Materials and supplies.....	9,216	9,216	6,651	2,565
Maintenance and repair.....	2,051	2,051	1,151	900
Utilities.....	4,100	4,049	3,549	500
Total Jury Commission.....	206,266	207,665	190,351	17,314
Law Library				
Personal services.....	133,647	135,567	134,196	1,371
Utilities.....	600	575	575	0
Total Law Library.....	134,247	136,142	134,771	1,371
Domestic Relations Court				
Personal services.....	827,199	800,184	796,270	3,914
Purchased services.....	36,010	62,039	59,932	2,107
Materials and supplies.....	21,856	21,856	20,430	1,426
Maintenance and repair.....	8,203	8,203	2,428	5,775
Utilities.....	10,500	10,500	10,459	41
Total Domestic Relations Court.....	903,768	902,782	889,519	13,263

Continued

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Juvenile Court				
Personal services.....	\$1,118,631	\$1,099,631	\$1,070,567	\$29,064
Purchased services.....	175,872	150,177	150,177	0
Materials and supplies.....	36,112	44,266	41,213	3,053
Maintenance and repair.....	8,397	7,526	6,261	1,265
Utilities.....	15,128	14,832	14,832	0
Other expenditures.....	3,522	3,522	3,522	0
Total Juvenile Court.....	1,357,662	1,319,954	1,286,572	33,382
Probate Court				
Personal services.....	294,440	294,790	291,226	3,564
Purchased services.....	23,500	23,500	23,366	134
Materials and supplies.....	9,400	9,400	8,601	799
Maintenance and repair.....	3,090	3,090	3,090	0
Utilities.....	4,550	4,750	4,675	75
Total Probate Court.....	334,980	335,530	330,958	4,572
Clerk of Courts				
Personal services.....	901,391	886,361	872,851	13,510
Purchased services.....	108,476	82,772	78,331	4,441
Materials and supplies.....	84,272	110,383	108,983	1,400
Maintenance and repair.....	15,128	10,558	10,393	165
Utilities.....	10,982	11,182	11,182	0
Total Clerk of Courts.....	1,120,249	1,101,256	1,081,740	19,516
Clerk - Municipal Court				
Personal services.....	908,727	923,307	912,120	11,187
Purchased services.....	32,513	28,547	27,793	754
Materials and supplies.....	85,647	76,007	75,998	9
Maintenance and repair.....	4,657	3,704	3,565	139
Utilities.....	16,077	14,944	14,944	0
Total Clerk - Municipal Court.....	1,047,621	1,046,509	1,034,420	12,089
Public Defender				
Personal services.....	787,109	799,619	796,462	3,157
Purchased services.....	38,628	37,269	35,213	2,056
Materials and supplies.....	12,279	8,779	8,654	125
Maintenance and repair.....	2,080	730	691	39
Utilities.....	6,447	6,447	5,458	989
Total Public Defender.....	846,543	852,844	846,478	6,366
Municipal Court				
Personal services.....	840,441	834,135	824,781	9,354
Purchased services.....	28,063	35,693	35,687	6
Materials and supplies.....	14,602	14,076	13,613	463
Maintenance and repair.....	5,122	4,812	4,612	200
Utilities.....	11,051	9,903	9,903	0
Total Municipal Court.....	899,279	898,619	888,596	10,023
Total judicial.....	7,952,911	7,892,275	7,644,983	247,292

Continued

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
<b>Public safety</b>				
Communications Center				
Personal services.....	\$1,405,981	\$1,405,981	\$1,194,701	\$211,280
Purchased services.....	571,447	545,239	540,807	4,432
Materials and supplies.....	24,511	45,620	41,740	3,880
Maintenance and repair.....	746,821	703,829	665,435	38,394
Utilities.....	64,835	66,663	66,584	79
Total Communications Center.....	2,813,595	2,767,332	2,509,267	258,065
Building Inspection/Permit Central				
Personal services.....	1,042,046	1,014,106	924,235	89,871
Purchased services.....	15,689	45,490	40,579	4,911
Materials and supplies.....	29,134	28,762	27,940	822
Maintenance and repair.....	21,558	20,218	18,045	2,173
Utilities.....	15,424	15,318	11,018	4,300
Other expenditures.....	3,000	3,000	2,140	860
Total Building Inspection/Permit Central.....	1,126,851	1,126,894	1,023,957	102,937
County Coroner				
Personal services.....	128,344	141,448	134,294	7,154
Purchased services.....	121,700	137,826	137,826	0
Materials and supplies.....	3,899	4,415	4,411	4
Maintenance and repair.....	2,401	2,401	1,733	668
Utilities.....	3,196	2,634	2,634	0
Total County Coroner.....	259,540	288,724	280,898	7,826
Adult Probation				
Personal services.....	694,872	716,964	693,394	23,570
Purchased services.....	18,000	14,450	14,202	248
Materials and supplies.....	19,108	27,059	26,840	219
Maintenance and repair.....	8,525	4,075	2,870	1,205
Utilities.....	21,109	20,496	19,571	925
Total Adult Probation.....	761,614	783,044	756,877	26,167
Juvenile Detention				
Personal services.....	763,438	768,438	755,393	13,045
Purchased services.....	10,198	7,784	6,840	944
Materials and supplies.....	65,749	65,886	62,827	3,059
Maintenance and repair.....	11,577	9,974	7,959	2,015
Utilities.....	4,967	4,733	4,733	0
Total Juvenile Detention.....	855,929	856,815	837,752	19,063
Juvenile Probation				
Personal services.....	377,165	366,815	356,114	10,701
Purchased services.....	3,500	3,500	1,834	1,666
Materials and supplies.....	7,154	6,709	6,569	140
Maintenance and repair.....	5,047	3,762	3,748	14
Utilities.....	5,912	6,652	6,652	0
Total Juvenile Probation.....	398,778	387,438	374,917	12,521

Continued

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
<b>Sheriff</b>				
Personal services.....	\$6,269,105	\$6,302,503	\$6,195,087	\$107,416
Purchased services.....	288,973	278,727	101,207	177,520
Materials and supplies.....	216,760	252,206	250,194	2,012
Maintenance and repair.....	169,497	178,401	173,464	4,937
Utilities.....	69,655	62,741	62,741	0
Total Sheriff.....	7,013,990	7,074,578	6,782,693	291,885
<b>Adult Detention</b>				
Personal services.....	5,717,930	5,724,455	5,657,446	67,009
Purchased services.....	676,791	699,593	699,355	238
Materials and supplies.....	530,256	524,237	524,072	165
Maintenance and repair.....	28,352	25,518	24,523	995
Utilities.....	19,865	20,365	20,365	0
Total Adult Detention.....	6,973,194	6,994,168	6,925,761	68,407
<b>Municipal Court Adult Probation</b>				
Personal services.....	631,046	613,046	600,633	12,413
Purchased services.....	5,000	5,000	4,985	15
Materials and supplies.....	6,500	18,500	18,500	0
Maintenance and repair.....	6,500	6,500	6,193	307
Utilities.....	6,398	12,398	11,126	1,272
Total Municipal Court Adult Probation.....	655,444	655,444	641,437	14,007
<b>Public Safety Grants</b>				
Purchased services.....	35,000	59,000	59,000	0
Total Public Safety Grants.....	35,000	59,000	59,000	0
Total public safety.....	20,893,935	20,993,437	20,192,559	800,878
<b>Health</b>				
<b>Tuberculosis Clinic</b>				
Purchased services.....	43,700	43,700	43,700	0
<b>Other Health</b>				
Purchased services.....	722,345	360,815	360,079	736
Utilities.....	5,672	3,500	0	3,500
Total Other Health.....	728,017	364,315	360,079	4,236
Total health.....	771,717	408,015	403,779	4,236
<b>Human services</b>				
<b>Veterans Service Commission</b>				
Personal services.....	378,300	378,300	317,966	60,334
Purchased services.....	696,700	681,700	543,666	138,034
Materials and supplies.....	30,000	45,000	37,088	7,912
Maintenance and repair.....	30,000	30,000	5,496	24,504
Utilities.....	15,000	15,000	7,321	7,679
Capital outlay.....	50,000	50,000	25,297	24,703
Total Veterans Service Commission.....	1,200,000	1,200,000	936,834	263,166

Continued

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Human Services Grants				
Purchased services.....	\$37,558	\$37,558	\$37,558	\$0
Total Human Services Grants.....	37,558	37,558	37,558	0
Total human services.....	1,237,558	1,237,558	974,392	263,166
<b>Community development</b>				
Community Planning & Development				
Personal services.....	369,043	369,043	354,167	14,876
Purchased services.....	173,947	107,456	98,789	8,667
Materials and supplies.....	6,893	7,819	7,819	0
Maintenance and repair.....	3,721	3,715	2,282	1,433
Utilities.....	5,348	5,348	5,348	0
Other expenditures.....	200	200	25	175
Total Community Planning & Development.....	559,152	493,581	468,430	25,151
Planning Commission				
Purchased services.....	1,500	1,500	1,500	0
Total community development.....	560,652	495,081	469,930	25,151
Total expenditures.....	47,406,741	46,760,213	44,111,566	2,648,647
Excess of revenues over expenditures.....	361,844	1,008,372	4,514,967	3,506,595
Other financing sources (uses):				
Operating transfers in.....	0	0	70,836	70,836
Operating transfers (out).....	(6,297,923)	(7,289,866)	(5,027,527)	2,262,339
Advances in.....	0	0	152,512	152,512
Advances (out).....	(154,820)	(154,820)	(154,820)	0
Proceeds of sale of fixed assets.....	0	0	18,860	18,860
Total other financing sources (uses).....	(6,452,743)	(7,444,686)	(4,940,139)	2,504,547
Net Change in Fund Balance	(6,090,899)	(6,436,314)	(425,172)	6,011,142
Fund balance at beginning of year.....	23,677,271	23,677,271	23,677,271	0
Prior year encumbrances appropriated.....	1,607,880	1,607,880	1,607,880	0
Fund balance at end of year.....	\$19,194,252	\$18,848,837	\$24,859,979	\$6,011,142

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**Social Services - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Taxes.....	\$6,431,000	\$6,321,484	\$5,807,805	(\$513,679)
Charges for services.....	844,400	890,400	821,938	(68,462)
Licenses and permits.....	56,000	56,000	46,766	(9,234)
Intergovernmental.....	22,046,909	22,700,925	20,641,123	(2,059,802)
Investment earnings.....	0	0	12	12
Other revenues.....	615,500	615,500	542,496	(73,004)
Total revenues.....	<u>29,993,809</u>	<u>30,584,309</u>	<u>27,860,140</u>	<u>(2,724,169)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human services:</b>				
Personal services.....	11,514,703	10,265,728	10,091,674	174,054
Purchased services.....	19,648,294	19,547,260	18,819,921	727,339
Materials and supplies.....	313,017	310,303	248,355	61,948
Maintenance and repair.....	82,505	71,829	58,029	13,800
Utilities.....	173,017	173,017	163,776	9,241
Capital outlay.....	360,000	0	0	0
Other expenditures.....	21,998	21,998	21,998	0
Total expenditures.....	<u>32,113,534</u>	<u>30,390,135</u>	<u>29,403,753</u>	<u>986,382</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(2,119,725)</u>	<u>194,174</u>	<u>(1,543,613)</u>	<u>(1,737,787)</u>
<b>Other financing sources(uses):</b>				
Operating transfers in.....	5,741,744	5,741,744	6,617,313	875,569
Operating transfers (out).....	(5,210,502)	(6,333,363)	(6,081,924)	251,439
Proceeds from sale of fixed assets.....	2,500	2,500	1,317	(1,183)
Total other financing sources (uses).....	<u>533,742</u>	<u>(589,119)</u>	<u>536,706</u>	<u>1,125,825</u>
Net change in fund balance.....	<u>(1,585,983)</u>	<u>(394,945)</u>	<u>(1,006,907)</u>	<u>(611,962)</u>
Fund balance at beginning of year.....	3,531,647	3,531,647	3,531,647	0
Prior year encumbrances appropriated.....	1,062,064	1,062,064	1,062,064	0
Fund balance at end of year.....	<u>\$3,007,728</u>	<u>\$4,198,766</u>	<u>\$3,586,804</u>	<u>(\$611,962)</u>

**Clermont County, Ohio**  
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**Motor Vehicle and Gas Tax - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Taxes.....	\$1,954,000	\$1,954,000	\$2,072,950	\$118,950
Charges for services.....	246,250	271,250	416,407	145,157
Licenses and permits.....	43,000	43,000	49,733	6,733
Fines and forfeitures.....	180,000	180,000	180,893	893
Intergovernmental .....	5,912,000	9,414,690	7,164,333	(2,250,357)
Special Assessments.....	18,500	18,500	20,066	1,566
Investment earnings.....	120,000	120,000	55,589	(64,411)
Other revenues.....	51,750	78,750	562,444	483,694
Total revenues.....	<u>8,525,500</u>	<u>12,080,190</u>	<u>10,522,415</u>	<u>(1,557,775)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public works:</b>				
Personal services.....	3,813,733	3,708,733	3,541,841	166,892
Purchased services.....	938,819	922,316	603,239	319,077
Materials and supplies.....	1,599,401	1,573,462	1,474,414	99,048
Maintenance and repair.....	730,995	591,052	530,330	60,722
Utilities.....	128,033	123,926	114,832	9,094
Capital outlay.....	1,215,921	4,916,078	4,862,915	53,163
Other expenditures.....	50,827	50,827	50,827	0
Total expenditures.....	<u>8,477,729</u>	<u>11,886,394</u>	<u>11,178,398</u>	<u>707,996</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>47,771</u>	<u>193,796</u>	<u>(655,983)</u>	<u>(849,779)</u>
<b>Other financing sources(uses):</b>				
Operating transfer in.....	1,500	1,500	733	(767)
Operating transfers (out).....	(1,197,473)	(1,197,473)	(1,197,102)	371
Proceeds from the sale of fixed assets.....	2,500	2,500	5,978	3,478
Total other financing sources (uses).....	<u>(1,193,473)</u>	<u>(1,193,473)</u>	<u>(1,190,391)</u>	<u>3,082</u>
Net change in fund balance.....	<u>(1,145,702)</u>	<u>(999,677)</u>	<u>(1,846,374)</u>	<u>(846,697)</u>
Fund balance at beginning of year.....	1,157,761	1,157,761	1,157,761	0
Prior year encumbrances appropriated.....	1,146,299	1,146,299	1,146,299	0
Fund balance at end of year.....	<u>\$1,158,358</u>	<u>\$1,304,383</u>	<u>\$457,686</u>	<u>(\$846,697)</u>

**Clermont County, Ohio**  
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**County Debt Service Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues</b>				
Other revenues.....	\$0	\$0	\$33,072	\$33,072
Total revenues.....	0	0	33,072	33,072
<b>Expenditures:</b>				
Debt service:				
Principal retirement.....	3,405,000	3,422,876	3,422,876	0
Interest and fiscal charges.....	1,857,710	1,857,898	1,856,200	1,698
Total expenditures.....	5,262,710	5,280,774	5,279,076	1,698
Excess (deficiency) of revenues over (under) expenditures.....	(5,262,710)	(5,280,774)	(5,246,004)	34,770
<b>Other financing sources:</b>				
Operating transfers in.....	5,264,110	5,281,987	5,281,212	(775)
Total other financing sources.....	5,264,110	5,281,987	5,281,212	(775)
Net change in fund balance.....	1,400	1,213	35,208	33,995
Fund balance at beginning of year.....	22,882	22,882	22,882	0
Fund balance at end of year.....	\$24,282	\$24,095	\$58,090	\$33,995



**Clermont County, Ohio**  
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**Judicial Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment earnings.....	\$20,000	\$20,000	\$102,518	\$82,518
Total revenues.....	20,000	20,000	102,518	82,518
Expenditures:				
Purchased services.....	10,000	10,000	280	9,720
Materials and supplies.....	65,000	65,000	2,047	62,953
Capital outlay.....	10,459,324	10,419,490	10,236,684	182,806
Total expenditures.....	10,534,324	10,494,490	10,239,011	255,479
Deficiency of revenues under expenditures.....	(10,514,324)	(10,474,490)	(10,136,493)	337,997
Other financing sources:				
Operating transfers in.....	1,531,520	1,531,520	1,132,580	(398,940)
Total other financing sources.....	1,531,520	1,531,520	1,132,580	(398,940)
Net change in fund balance.....	(8,982,804)	(8,942,970)	(9,003,913)	(60,943)
Fund balance at beginning of year.....	9,975,656	9,975,656	9,975,656	0
Prior year encumbrances appropriated.....	664,328	664,328	664,328	0
Fund balance at end of year.....	\$1,657,180	\$1,697,014	\$1,636,071	(\$60,943)

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**County Capital Improvement - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Taxes.....	\$3,896,176	\$3,896,176	\$3,319,020	(\$577,156)
Charges for services.....	138,933	138,933	1,364	(137,569)
Intergovernmental revenues.....	345,000	345,000	700,130	355,130
Other revenues.....	170,000	170,000	126,851	(43,149)
Total revenues.....	<u>4,550,109</u>	<u>4,550,109</u>	<u>4,147,365</u>	<u>(402,744)</u>
<b>Expenditures:</b>				
Purchased Services.....	403,500	413,500	209,480	204,020
Materials and Supplies.....	90,015	90,000	9,220	80,780
Maintenance and repair.....	0	10,000	2,354	7,646
Capital outlay.....	1,810,481	1,807,291	1,173,430	633,861
Total expenditures.....	<u>2,303,996</u>	<u>2,320,791</u>	<u>1,394,484</u>	<u>926,307</u>
Excess of revenues over expenditures.....	<u>2,246,113</u>	<u>2,229,318</u>	<u>2,752,881</u>	<u>523,563</u>
<b>Other financing sources (uses):</b>				
Operating transfers in.....	340,900	340,900	391,900	51,000
Operating transfers (out).....	(4,550,649)	(4,550,649)	(4,184,709)	365,940
Advances (out).....	(200,000)	(200,000)	(200,000)	0
Total other financing sources (uses).....	<u>(4,409,749)</u>	<u>(4,409,749)</u>	<u>(3,992,809)</u>	<u>416,940</u>
Net change in fund balance.....	(2,163,636)	(2,180,431)	(1,239,928)	940,503
Fund balance at beginning of year.....	3,112,388	3,112,388	3,112,388	0
Prior year encumbrances appropriated.....	1,027,896	1,027,896	1,027,896	0
Fund balance at end of year.....	<u>\$1,976,648</u>	<u>\$1,959,853</u>	<u>\$2,900,356</u>	<u>\$940,503</u>

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**Health and Solid Waste District - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Charges for services.....	\$327,000	\$327,000	\$285,112	(\$41,888)
Licenses and permits.....	180,700	180,700	204,881	24,181
Fines and forfeitures.....	35,000	35,000	34,256	(744)
Intergovernmental.....	85,000	155,000	136,514	(18,486)
Other revenues.....	0	0	7,909	7,909
Total revenues.....	<u>627,700</u>	<u>697,700</u>	<u>668,672</u>	<u>(29,028)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health:</b>				
Personal services.....	67,824	99,324	83,578	15,746
Purchased services.....	568,296	511,206	482,198	29,008
Materials and supplies.....	33,875	54,994	46,762	8,232
Maintenance and repair.....	1,954	9,023	4,427	4,596
Utilities.....	34,601	33,210	6,665	26,545
Capital outlay.....	81,000	81,000	0	81,000
Total expenditures.....	<u>787,550</u>	<u>788,757</u>	<u>623,630</u>	<u>165,127</u>
Net change in fund balance	(159,850)	(91,057)	45,042	136,099
Fund balance at beginning of year.....	864,199	864,199	864,199	0
Prior year encumbrances appropriated.....	31,629	31,629	31,629	0
Fund balance at end of year.....	<u>\$735,978</u>	<u>\$804,771</u>	<u>\$940,870</u>	<u>\$136,099</u>

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**Real Estate Assessment - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Taxes.....	\$300,000	\$389,700	\$389,636	(\$64)
Charges for services.....	1,715,000	1,715,000	2,088,446	373,446
Licenses and permits.....	0	0	890	890
Investment earnings.....	3,000	3,000	7,431	4,431
Total revenues.....	2,018,000	2,107,700	2,486,403	378,703
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
<b>Legislative and executive</b>				
Personal services.....	1,164,430	1,171,430	1,141,847	29,583
Purchased services.....	715,242	779,009	712,451	66,558
Materials and supplies.....	121,281	118,397	82,277	36,120
Maintenance and repair.....	74,666	89,666	73,258	16,408
Utilities.....	15,639	18,439	17,116	1,323
Capital outlay.....	53,000	53,000	0	53,000
Total expenditures.....	2,144,258	2,229,941	2,026,949	202,992
Excess (deficiency) of revenues over (under) expenditures.....	(126,258)	(122,241)	459,454	581,695
<b>Other financing sources(uses):</b>				
Proceeds from sale of fixed assets.....	0	0	88	88
Total other financing sources (uses).....	0	0	88	88
Net change in fund balance.....	(126,258)	(122,241)	459,542	581,783
Fund balance at beginning of year.....	1,345,077	1,345,077	1,345,077	0
Prior year encumbrances appropriated.....	165,658	165,658	165,658	0
Fund balance at end of year.....	\$1,384,477	\$1,388,494	\$1,970,277	\$581,783

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**Other Legislative - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Charges for services.....	\$1,035,000	\$1,085,218	\$1,220,191	\$134,973
Total revenues.....	1,035,000	1,085,218	1,220,191	134,973
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive:				
Personal services.....	686,798	686,798	644,894	41,904
Purchased services.....	533,429	612,477	525,317	87,160
Materials and supplies.....	111,801	110,501	50,325	60,176
Maintenance and repair.....	9,659	9,359	3,860	5,499
Utilities.....	34,713	33,643	29,953	3,690
Capital outlay.....	60,000	60,000	4,969	55,031
Total expenditures.....	1,436,400	1,512,778	1,259,318	253,460
Deficiency of revenues				
Under expenditures.....	(401,400)	(427,560)	(39,127)	388,433
Other financing sources:				
Operating transfers in.....	150,000	150,000	150,000	0
Total other financing sources.....	150,000	150,000	150,000	0
Net change in fund balance.....	(251,400)	(277,560)	110,873	388,433
Fund balance at beginning of year.....	312,805	312,805	312,805	0
Prior year encumbrances appropriated.....	53,081	53,081	53,081	0
Fund balance at end of year.....	\$114,486	\$88,326	\$476,759	\$388,433

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**Public Safety - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Charges for services.....	\$123,974	\$123,974	\$134,660	\$10,686
Fines and forfeitures.....	132,426	132,426	208,911	76,485
Intergovernmental .....	2,950,944	2,382,217	2,616,641	234,424
Investment earnings.....	7,533	7,533	8,220	687
Other revenues.....	0	0	21,867	21,867
Total revenues.....	<u>3,214,877</u>	<u>2,646,150</u>	<u>2,990,299</u>	<u>344,149</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public Safety:				
Personal services.....	2,093,714	1,889,710	1,837,434	52,276
Purchased services.....	1,512,386	1,205,775	883,307	322,468
Materials and supplies.....	204,054	247,029	135,953	111,076
Maintenance and repair.....	38,361	45,754	29,513	16,241
Utilities.....	57,072	63,019	55,771	7,248
Capital outlay.....	154,320	183,186	143,018	40,168
Other expenditures.....	25	50	45	5
Total expenditures.....	<u>4,059,932</u>	<u>3,634,523</u>	<u>3,085,041</u>	<u>549,482</u>
Deficiency of revenues under expenditures.....	<u>(845,055)</u>	<u>(988,373)</u>	<u>(94,742)</u>	<u>893,631</u>
<b>Other financing sources(uses):</b>				
Operating transfers in.....	363,854	363,854	367,407	3,553
Advances (out).....	0	(3,500)	(3,500)	0
Advances in.....	0	5,150	3,500	(1,650)
Proceeds on the sale of fixed assets.....	0	0	1,100	1,100
Total other financing sources (uses).....	<u>363,854</u>	<u>365,504</u>	<u>368,507</u>	<u>3,003</u>
Net change in fund balance.....	<u>(481,201)</u>	<u>(622,869)</u>	<u>273,765</u>	<u>896,634</u>
Fund balance at beginning of year.....	<u>2,154,710</u>	<u>2,154,710</u>	<u>2,154,710</u>	<u>0</u>
Prior year encumbrances appropriated.....	<u>58,270</u>	<u>58,270</u>	<u>58,270</u>	<u>0</u>
Fund balance at end of year.....	<u>\$1,731,779</u>	<u>\$1,590,111</u>	<u>\$2,486,745</u>	<u>\$896,634</u>

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**Community Transportation - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Charges for services.....	\$805,180	\$805,180	\$681,917	(\$123,263)
Intergovernmental.....	1,057,659	1,057,659	975,757	(81,902)
Other revenues.....	15,000	15,000	16,522	1,522
Total revenues.....	<u>1,877,839</u>	<u>1,877,839</u>	<u>1,674,196</u>	<u>(203,643)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Transportation:				
Personal services.....	1,017,464	1,017,463	876,406	141,057
Purchased services.....	477,292	477,767	476,106	1,661
Materials and supplies.....	98,957	101,470	100,542	928
Maintenance and repair.....	114,203	90,653	78,021	12,632
Utilities.....	10,078	13,148	13,148	0
Capital outlay.....	214,857	204,057	175,352	28,705
Other expenditures.....	0	8,454	8,454	0
Total expenditures.....	<u>1,932,851</u>	<u>1,913,012</u>	<u>1,728,029</u>	<u>184,983</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(55,012)</u>	<u>(35,173)</u>	<u>(53,833)</u>	<u>(18,660)</u>
<b>Other financing sources:</b>				
Operating transfers in.....	0	60,000	0	(60,000)
Advances in.....	43,800	43,800	60,000	16,200
Advances (out).....	0	(61,850)	(60,000)	1,850
Proceeds from sale of assets.....	10,000	10,000	14,300	4,300
Total other financing sources.....	<u>53,800</u>	<u>51,950</u>	<u>14,300</u>	<u>(37,650)</u>
Net change in fund balance.....	<u>(1,212)</u>	<u>16,777</u>	<u>(39,533)</u>	<u>(56,310)</u>
Fund balance (deficit) at beginning of year.....	27,066	27,066	27,066	0
Prior year encumbrances appropriated.....	25,575	25,575	25,575	0
Fund balance (deficit) at end of year.....	<u>\$51,429</u>	<u>\$69,418</u>	<u>\$13,108</u>	<u>(\$56,310)</u>

**Clermont County, Ohio**  
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**Judicial Programs - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Charges for services.....	\$69,100	\$60,500	\$62,021	\$1,521
Intergovernmental .....	92,365	94,283	88,235	(6,048)
Other revenues.....	2,000	2,000	3,185	1,185
Total revenues.....	<u>163,465</u>	<u>156,783</u>	<u>153,441</u>	<u>(3,342)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Judicial:				
Personal services.....	228,923	242,423	237,051	5,372
Purchased services.....	22,399	20,110	18,695	1,415
Materials and supplies.....	12,932	17,683	15,785	1,898
Maintenance and repair.....	1,613	2,213	524	1,689
Utilities.....	4,877	4,765	4,465	300
Other expenditures.....	0	4,000	3,945	55
Total expenditures.....	<u>270,744</u>	<u>291,194</u>	<u>280,465</u>	<u>10,729</u>
Deficiency of revenues under expenditures.....	<u>(107,279)</u>	<u>(134,411)</u>	<u>(127,024)</u>	<u>7,387</u>
<b>Other financing sources:</b>				
Operating transfers in.....	98,309	140,205	115,100	(25,105)
Total other financing sources.....	<u>98,309</u>	<u>140,205</u>	<u>115,100</u>	<u>(25,105)</u>
Net change in fund balance.....	(8,970)	5,794	(11,924)	(17,718)
Fund balance at beginning of year.....	33,101	33,101	33,101	0
Prior year encumbrances appropriated.....	2,320	2,320	2,320	0
Fund balance at end of year.....	<u>\$26,451</u>	<u>\$41,215</u>	<u>\$23,497</u>	<u>(\$17,718)</u>



**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Community Development - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Charges for Services.....	\$0	\$0	\$725	725
Intergovernmental .....	2,111,133	2,362,182	2,428,017	65,835
Investment earnings.....	373	373	263	(110)
Other revenues.....	0	0	60,535	60,535
Total revenues.....	<u>2,111,506</u>	<u>2,362,555</u>	<u>2,489,540</u>	<u>126,985</u>
<b>Expenditures:</b>				
Current:				
Community development:				
Purchased services.....	246,413	813,814	806,478	7,336
Materials and supplies.....	120,000	45,503	44,678	825
Capital outlay.....	1,652,301	1,899,065	1,897,709	1,356
Other expenditures.....	30,667	30,667	30,667	0
Total expenditures.....	<u>2,049,381</u>	<u>2,789,049</u>	<u>2,779,532</u>	<u>9,517</u>
Deficiency of revenues under expenditures.....	<u>62,125</u>	<u>(426,494)</u>	<u>(289,992)</u>	<u>136,502</u>
Other financing source(uses):				
Operating transfers (out).....	(44,333)	(103,003)	(70,836)	32,167
Advances in.....	50,000	50,000	91,320	41,320
Advances (out).....	(50,000)	(83,185)	(83,185)	0
Total other financing sources(uses).....	<u>(44,333)</u>	<u>(136,188)</u>	<u>(62,701)</u>	<u>73,487</u>
Net change in fund balance.....	17,792	(562,682)	(352,693)	209,989
Fund balance at beginning of year.....	388,237	388,237	388,237	0
Prior year encumbrances appropriated.....	599,114	599,114	599,114	0
Fund balance(deficit) at end of year.....	<u>\$1,005,143</u>	<u>\$424,669</u>	<u>\$634,658</u>	<u>\$209,989</u>

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Computer Legal Research - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Charges for services.....	\$457,300	\$457,300	\$386,806	(\$70,494)
Total revenues.....	457,300	457,300	386,806	(70,494)
<b>Expenditures:</b>				
Current:				
General government:				
Judicial:				
Personal services.....	0	43,706	43,223	483
Purchased services.....	28,000	78,000	35,007	42,993
Materials and supplies.....	46,706	72,542	59,848	12,694
Maintenance and repair.....	145,847	144,663	109,504	35,159
Utilities .....	7,450	7,000	595	6,405
Capital outlay .....	277,508	333,508	267,306	66,202
Total expenditures.....	505,511	679,419	515,483	163,936
Excess (deficiency) of revenues over (under) expenditures.....	(48,211)	(222,119)	(128,677)	93,442
<b>Other financing sources(uses):</b>				
Proceeds from the sale of fixed assets.....	0	0	26	26
Total other financing sources (uses).....	0	0	26	26
Net change in fund balance.....	(48,211)	(222,119)	(128,651)	93,468
Fund balance at beginning of year.....	898,248	898,248	898,248	0
Prior year encumbrances appropriated.....	29,512	29,512	29,512	0
Fund balance at end of year.....	\$879,549	\$705,641	\$799,109	\$93,468

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Special Assessment - Debt Service Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Special Assessments.....	\$583,593	\$613,453	\$619,852	\$6,399
Other revenues.....	0	0	215	215
Total revenues.....	<u>583,593</u>	<u>613,453</u>	<u>620,067</u>	<u>6,614</u>
Expenditures:				
Debt service:				
Principal retirement.....	404,000	404,000	404,000	0
Interest and fiscal charges.....	<u>179,593</u>	<u>209,552</u>	<u>201,323</u>	<u>8,229</u>
Total expenditures.....	<u>583,593</u>	<u>613,552</u>	<u>605,323</u>	<u>8,229</u>
Net change in fund balance.....	0	(99)	14,744	14,843
Fund balance at beginning of year.....	<u>203,484</u>	<u>203,484</u>	<u>203,484</u>	<u>0</u>
Fund balance at end of year.....	<u>\$203,484</u>	<u>\$203,385</u>	<u>\$218,228</u>	<u>\$14,843</u>

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Public Safety Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental revenues.....	\$7,068,000	\$7,068,000	\$260,287	(\$6,807,713)
Investment earnings.....	60,000	60,000	138,637	78,637
Total revenues.....	<u>7,128,000</u>	<u>7,128,000</u>	<u>398,924</u>	<u>(6,729,076)</u>
Expenditures:				
Materials and supplies.....	121,206	121,206	5,152	116,054
Capital outlay.....	13,606,768	6,605,568	6,403,856	201,712
Total expenditures.....	<u>13,727,974</u>	<u>6,726,774</u>	<u>6,409,008</u>	<u>317,766</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(6,599,974)</u>	<u>401,226</u>	<u>(6,010,084)</u>	<u>(6,411,310)</u>
Other financing sources:				
Operating transfers in.....	451,519	451,519	1,626,889	1,175,370
Total other financing sources.....	<u>451,519</u>	<u>451,519</u>	<u>1,626,889</u>	<u>1,175,370</u>
Net change in fund balance.....	(6,148,455)	852,745	(4,383,195)	(5,235,940)
Fund balance at beginning of year.....	7,716,609	7,716,609	7,716,609	0
Prior year encumbrances appropriated.....	1,053,075	1,053,075	1,053,075	0
Fund balance at end of year.....	<u>\$2,621,229</u>	<u>\$9,622,429</u>	<u>\$4,386,489</u>	<u>(\$5,235,940)</u>

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Social Services Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment earnings.....	\$0	\$0	\$17,188	\$17,188
Total revenues.....	0	0	17,188	17,188
Expenditures:				
Materials and supplies.....	20,000	20,000	1,924	18,076
Capital outlay.....	200,000	200,000	43,065	156,935
Total expenditures.....	220,000	220,000	44,989	175,011
Deficiency of revenues under expenditures.....	(220,000)	(220,000)	(27,801)	192,199
Other financing sources:				
Operating transfers in.....	195,200	195,200	195,200	0
Total other financing sources.....	195,200	195,200	195,200	0
Net change in fund balance.....	(24,800)	(24,800)	167,399	192,199
Fund balance at beginning of year.....	597,766	597,766	597,766	0
Fund balance at end of year.....	\$572,966	\$572,966	\$765,165	\$192,199

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Communications Center Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues.....	\$0	\$0	\$0	\$0
Expenditures:				
Materials and supplies.....	324,551	320,555	56,987	263,568
Capital outlay.....	1,623,994	711,472	72,357	639,115
Total expenditures.....	1,948,545	1,032,027	129,344	902,683
Deficiency of revenues under expenditures.....	(1,948,545)	(1,032,027)	(129,344)	902,683
Operating transfers in.....	1,066,600	1,066,600	166,600	(900,000)
Total other financing sources.....	1,066,600	1,066,600	166,600	(900,000)
Net change in fund balance.....	(881,945)	34,573	37,256	2,683
Fund balance at beginning of year.....	994,619	994,619	994,619	0
Prior year encumbrances appropriated.....	51,476	51,476	51,476	0
Fund balance at end of year.....	\$164,150	\$1,080,668	\$1,083,351	\$2,683

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Community Development Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenue.....	\$1,377,368	\$1,377,368	\$1,363,102	(\$14,266)
All other revenue.....	43,000	43,000	25,000	(18,000)
Total revenues.....	<u>1,420,368</u>	<u>1,420,368</u>	<u>1,388,102</u>	<u>(32,266)</u>
<b>Expenditures:</b>				
Maintenance and repair.....	0	20,000	13,167	6,833
Capital Outlay.....	2,663,157	2,546,773	1,976,002	570,771
Total expenditures.....	<u>2,663,157</u>	<u>2,566,773</u>	<u>1,989,169</u>	<u>577,604</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(1,242,789)</u>	<u>(1,146,405)</u>	<u>(601,067)</u>	<u>545,338</u>
<b>Other financing sources:</b>				
Advances in.....	0	200,000	200,000	0
Proceeds from the sale of bonds.....	1,186,630	1,186,630	1,190,000	3,370
Total other financing sources.....	<u>1,186,630</u>	<u>1,386,630</u>	<u>1,390,000</u>	<u>3,370</u>
Net change in fund balance.....	(56,159)	240,225	788,933	548,708
Fund balance at beginning of year.....	481,842	481,842	481,842	0
Prior year encumbrances appropriated.....	1,074,167	1,074,167	1,074,167	0
Fund balance at end of year.....	<u>\$1,499,850</u>	<u>\$1,796,234</u>	<u>\$2,344,942</u>	<u>\$548,708</u>

**Clermont County, Ohio**  
**Schedule of Revenues**  
**Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**

**Road Assessment Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Investment earnings.....	\$0	\$0	\$4,085	\$4,085
Other Revenues.....	0	0	255,660	255,660
Total revenues.....	0	0	259,745	259,745
<b>Expenditures:</b>				
Capital outlay.....	638,740	601,741	581,200	20,541
Principal retirement.....	3,326,078	3,326,078	325,000	3,001,078
Interest and fiscal charges.....	43,922	43,922	43,920	2
Other expenditures.....	0	25,000	25,000	0
Total expenditures.....	4,008,740	3,996,741	975,120	3,021,621
Deficiency of revenues under expenditures.....	(4,008,740)	(3,996,741)	(715,375)	3,281,366
<b>Other financing sources (uses):</b>				
Proceeds from the sale of bonds.....	3,300,000	3,300,000	0	(3,300,000)
Total other financing sources (uses).....	3,300,000	3,300,000	0	(3,300,000)
<b>Net change in fund balance.....</b>	<b>(708,740)</b>	<b>(696,741)</b>	<b>(715,375)</b>	<b>(18,634)</b>
Fund balance at beginning of year.....	326,635	326,635	326,635	0
Prior year encumbrances appropriated.....	388,740	388,740	388,740	0
Fund balance at end of year.....	\$6,635	\$18,634	\$0	(\$18,634)



**Clermont County**  
**Combining Statements - Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

**Health Insurance Fund** -This fund is used to account for claims and administration of the health insurance program for covered County employees and eligible dependents, and the accumulation and allocation of costs associated with health insurance.

**Fleet Maintenance Fund** -This fund is used to account for the vehicle maintenance services provided to various County departments and other governmental units. Users are billed for costs incurred.

**Telephone Company Fund** -This fund is used to account for telephone services to various County departments and other governmental units. Users are billed for costs incurred.

**Workers' Compensation Fund** -This fund is used to account for the administration of a Worker's Compensation program to reduce employee risk, decrease the County's worker's compensation liability and to measure and recover the cost of providing the program to County departments and other governmental units.

**Clermont County, Ohio**  
**Combining Statement of Fund Net Assets**  
**Internal Service Funds**  
**December 31, 2003**

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
<b>Assets</b>					
<b>Current Assets:</b>					
City in Pooled Cash and Cash Equivalents	\$874,833	\$123,036	\$213,009	\$1,515,176	\$2,726,054
Prepaid Items	0	0	9,432	0	9,432
<b>Total Current Assets</b>	<b>874,833</b>	<b>123,036</b>	<b>222,441</b>	<b>1,515,176</b>	<b>2,735,486</b>
<b>Noncurrent Assets:</b>					
Capital assets, net	0	51,473	45,655	0	97,128
<b>Total Noncurrent Assets</b>	<b>0</b>	<b>51,473</b>	<b>45,655</b>	<b>0</b>	<b>97,128</b>
<b>Total Assets</b>	<b>874,833</b>	<b>174,509</b>	<b>268,096</b>	<b>1,515,176</b>	<b>2,832,614</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable	\$1,161	\$156,596	\$65,080	\$1,640	\$224,477
Accrued Wages and Benefits	1,384	5,319	2,992	0	9,695
Intergovernmental Payable	24	67	51	0	142
Claims Payable	1,214,712	0	0	0	1,214,712
<b>Total Current Liabilities</b>	<b>1,217,281</b>	<b>161,982</b>	<b>68,123</b>	<b>1,640</b>	<b>1,449,026</b>
<b>Noncurrent Liabilities:</b>					
Compensated Absences Due Within One Year	0	8,942	2,956	0	11,898
Compensated Absences Due Within More Than One Year	0	7,894	1,560	0	9,454
<b>Total Noncurrent Liabilities</b>	<b>0</b>	<b>16,836</b>	<b>4,516</b>	<b>0</b>	<b>21,352</b>
<b>Total Liabilities</b>	<b>1,217,281</b>	<b>178,818</b>	<b>72,639</b>	<b>1,640</b>	<b>1,470,378</b>
<b>Net Assets</b>					
Invested in Capital Assets	0	51,473	45,655	0	97,128
Unrestricted (Deficit)	(342,448)	(55,782)	149,802	1,513,536	1,265,108
<b>Total Net Assets (Deficit)</b>	<b>(\$342,448)</b>	<b>(\$4,309)</b>	<b>\$195,457</b>	<b>\$1,513,536</b>	<b>\$1,362,236</b>

**Clermont County, Ohio****Combining Statement of Revenues, Expenses and Changes in Fund Net Assets****Internal Service Funds****For the Year Ended December 31, 2003**

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
<b>Operating Revenues</b>					
Charges for Sales and Services	7,574,869	1,146,976	980,865	456,331	10,159,041
All Other Revenues	4,102	778	39,513	12,671	57,064
<b>Total Operating Revenues</b>	<b>7,578,971</b>	<b>1,147,754</b>	<b>1,020,378</b>	<b>469,002</b>	<b>10,216,105</b>
<b>Operating Expenses</b>					
Personal Services	48,682	266,310	129,748	0	444,740
Materials and Supplies	3,288	688,526	7,728	37,245	736,787
Contractual Services	178,107	24,570	12,668	563,892	779,237
Maintenance and Repair	0	194,299	91,680	0	285,979
Utilities	916	4,884	686,989	0	692,789
Claims	7,579,248	0	0	0	7,579,248
Depreciation	0	6,038	10,171	0	16,209
Other	4,562	22,977	0	0	27,539
<b>Total Operating Expenses</b>	<b>7,814,803</b>	<b>1,207,604</b>	<b>938,984</b>	<b>601,137</b>	<b>10,562,528</b>
<b>Operating Income (Loss)</b>	<b>(235,832)</b>	<b>(59,850)</b>	<b>81,394</b>	<b>(132,135)</b>	<b>(346,423)</b>
<b>Income (Loss) before Contributions &amp; Transfers</b>	<b>(235,832)</b>	<b>(59,850)</b>	<b>81,394</b>	<b>(132,135)</b>	<b>(346,423)</b>
Capital Contributions	0	5,208	0	0	5,208
Transfers Out	0	0	(90,000)	0	(90,000)
<b>Change in Net Assets</b>	<b>(235,832)</b>	<b>(54,642)</b>	<b>(8,606)</b>	<b>(132,135)</b>	<b>(431,215)</b>
<b>Net Assets (Deficit) Beginning of Year</b>	<b>(106,616)</b>	<b>50,333</b>	<b>204,063</b>	<b>1,645,671</b>	<b>1,793,451</b>
<b>Net Assets (Deficit) End of Year</b>	<b>(\$342,448)</b>	<b>(\$4,309)</b>	<b>\$195,457</b>	<b>\$1,513,536</b>	<b>\$1,362,236</b>

**Clermont County, Ohio**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2003**

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
<b>Cash Flows From Operating Activities:</b>					
Receipts from Customers and Users	\$0	\$1,146,976	\$980,865	\$0	\$2,127,841
Cash received from Interfund Services Provided	7,574,869	0	0	456,331	8,031,200
Payments to Suppliers	(188,258)	(852,865)	(760,287)	(89,502)	(1,890,912)
Payments to Employees	(49,579)	(270,232)	(127,360)	0	(447,171)
Claims	(6,845,711)	0	0	0	(6,845,711)
Payments for Interfund Services provided	0	0	0	(528,228)	(528,228)
Other Receipts	4,102	778	39,513	12,671	57,064
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>495,423</u>	<u>24,657</u>	<u>132,731</u>	<u>(148,728)</u>	<u>504,083</u>
<b>Cash Flows From Noncapital Financing Activities:</b>					
Transfers to Other Funds	0	0	(90,000)	0	(90,000)
<i>Net Cash (Used for) Noncapital Financing Activities</i>	<u>0</u>	<u>0</u>	<u>(90,000)</u>	<u>0</u>	<u>(90,000)</u>
<b>Cash Flows Provided by Capital and Related Financing Activities:</b>					
Acquisition of Capital Assets	0	0	(13,419)	0	(13,419)
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>0</u>	<u>0</u>	<u>(13,419)</u>	<u>0</u>	<u>(13,419)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>495,423</u>	<u>24,657</u>	<u>29,312</u>	<u>(148,728)</u>	<u>400,664</u>
<i>Cash and Cash Equivalents-January 1</i>	<u>379,410</u>	<u>98,379</u>	<u>183,697</u>	<u>1,663,904</u>	<u>2,325,390</u>
<i>Cash and Cash Equivalents December 31</i>	<u><u>\$874,833</u></u>	<u><u>\$123,036</u></u>	<u><u>\$213,009</u></u>	<u><u>\$1,515,176</u></u>	<u><u>\$2,726,054</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
Operating Income (Loss)	(\$235,832)	(\$59,850)	\$81,394	(\$132,135)	(\$346,423)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	0	6,038	10,171	0	16,209
Non-Operating Revenues and Expenses					
Change in Assets and Liabilities:					
Increase in Prepaid Items	0	0	(187)	0	(187)
Increase (Decrease) in Accounts Payable	(1,385)	82,391	38,965	(16,593)	103,378
Increase (Decrease) in Accrued Wages	327	(260)	478	0	545
Increase in Claims Payable	733,537	0	0	0	733,537
(Decrease) in Intergovernmental Payable	(1,224)	(6,840)	(2,606)	0	(10,670)
Increase in Compensated Absences Payable	0	3,178	4,516	0	7,694
<i>Total Adjustments</i>	<u>731,255</u>	<u>84,507</u>	<u>51,337</u>	<u>(16,593)</u>	<u>850,506</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$495,423</u></u>	<u><u>\$24,657</u></u>	<u><u>\$132,731</u></u>	<u><u>(\$148,728)</u></u>	<u><u>\$504,083</u></u>
<b>Non-Cash Transactions:</b>					
Contributions from other funds	<u>\$0</u>	<u>\$5,208</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,208</u>

**Clermont County  
Combining Statement - Fiduciary Funds**

**Agency Funds**

Agency Funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations

**Undivided Tax Fund** -This fund is used to account for the collection of various County taxes and the disbursement of those taxes to County funds and subdivisions.

**Political Subdivisions** -This fund is used to account for funds held for other political subdivisions for which the County acts as fiscal agent.

**Other Agency Funds** -This fund is used to account for miscellaneous monies collected and disbursed to other County funds, and held on behalf of individuals and corporations.

**Clermont County Court System** -This fund is used to account for monies held by the County Courts in outside accounts.

**General County Agency** -This fund is used to account for monies held by County departments other than the Courts in outside checking accounts.

**CLERMONT COUNTY, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

**UNDIVIDED TAX FUND**

	Beginning Balance 1/1/03	Additions	Deductions	Ending Balance 12/31/03
<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents.....	\$6,676,722	\$1,954,656	\$927,154	\$7,704,224
Taxes receivable.....	155,492,915	361,469,383	354,147,009	162,815,289
Total assets.....	<u>\$162,169,637</u>	<u>\$363,424,039</u>	<u>\$355,074,163</u>	<u>\$170,519,513</u>
<b>LIABILITIES:</b>				
Intergovernmental payable.....	\$162,169,637	\$363,424,039	\$355,074,163	\$170,519,513
Total liabilities.....	<u>\$162,169,637</u>	<u>\$363,424,039</u>	<u>\$355,074,163</u>	<u>\$170,519,513</u>

**POLITICAL SUBDIVISIONS**

<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents.....	\$647,846	\$10,863,223	\$10,609,003	\$902,066
Intergovernmental receivable.....	1,082	3,181	1,082	3,181
Total assets.....	<u>\$648,928</u>	<u>\$10,866,404</u>	<u>\$10,610,085</u>	<u>\$905,247</u>
<b>LIABILITIES:</b>				
Intergovernmental payable.....	\$648,928	\$10,866,404	\$10,610,085	\$905,247
Total liabilities.....	<u>\$648,928</u>	<u>\$10,866,404</u>	<u>\$10,610,085</u>	<u>\$905,247</u>

**OTHER AGENCY FUNDS**

<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents.....	\$504,937	\$68,165,750	\$67,548,674	\$1,122,013
Intergovernmental receivable.....	18,335	11,479	18,335	11,479
Total assets.....	<u>\$523,272</u>	<u>\$68,177,229</u>	<u>\$67,567,009</u>	<u>\$1,133,492</u>
<b>LIABILITIES:</b>				
Intergovernmental payable.....	\$0	\$11,479	\$0	\$11,479
Other liabilities.....	523,272	68,165,750	67,567,009	1,122,013
Total liabilities.....	<u>\$523,272</u>	<u>\$68,177,229</u>	<u>\$67,567,009</u>	<u>\$1,133,492</u>

**CLERMONT COUNTY COURT SYSTEM**

<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents.....	\$2,138,657	\$35,557,744	\$35,198,658	\$2,497,743
Cash and Cash equivalents in segregated accounts.....	55,484	39,498	55,484	39,498
Total assets.....	<u>\$2,194,141</u>	<u>\$35,597,242</u>	<u>\$35,254,142</u>	<u>\$2,537,241</u>
<b>LIABILITIES:</b>				
Intergovernmental payable.....	\$318,966	\$313,727	\$318,966	\$313,727
Other liabilities.....	1,875,175	35,283,515	34,935,176	2,223,514
Total liabilities.....	<u>\$2,194,141</u>	<u>\$35,597,242</u>	<u>\$35,254,142</u>	<u>\$2,537,241</u>

(Continued)

**CLERMONT COUNTY, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003 - Continued**

**GENERAL COUNTY AGENCY**

	Beginning Balance 1/1/03	Additions	Deductions	Ending Balance 12/31/03
<b>ASSETS:</b>				
Cash and Cash equivalents in segregated accounts.....	\$309,081	\$388,731	\$309,081	\$388,731
Cash with fiscal and escrow agents.....	351,736	114,480	351,736	114,480
Total assets.....	<u>\$660,817</u>	<u>\$503,211</u>	<u>\$660,817</u>	<u>\$503,211</u>
<b>LIABILITIES:</b>				
Other liabilities.....	\$660,817	\$503,211	\$660,817	\$503,211
Total liabilities.....	<u>\$660,817</u>	<u>\$503,211</u>	<u>\$660,817</u>	<u>\$503,211</u>

**TOTAL AGENCY FUNDS**

<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents.....	\$9,968,162	\$116,541,373	\$114,283,489	\$12,226,046
Cash and Cash equivalents in segregated accounts.....	364,565	428,229	364,565	428,229
Cash with fiscal and escrow agents.....	351,736	114,480	351,736	114,480
Taxes receivable.....	155,492,915	361,469,383	354,147,009	162,815,289
Intergovernmental receivable.....	19,417	14,660	19,417	14,660
Total assets.....	<u>\$166,196,795</u>	<u>\$478,568,125</u>	<u>\$469,166,216</u>	<u>\$175,598,704</u>
<b>LIABILITIES:</b>				
Intergovernmental payable.....	\$163,137,531	\$374,615,649	\$366,003,214	\$171,749,966
Other liabilities.....	3,059,264	103,952,476	103,163,002	3,848,738
Total liabilities.....	<u>\$166,196,795</u>	<u>\$478,568,125</u>	<u>\$469,166,216</u>	<u>\$175,598,704</u>

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**CLERMONT COUNTY**  
**CAPITAL ASSETS**  
**USED IN THE OPERATION**  
**OF GOVERNMENTAL FUNDS**

**CLERMONT COUNTY, OHIO***Capital Assets Used in the Operation of Governmental Funds**Schedule By Function and Activity**December 31, 2003*

Function and Activity	Land	Buildings, and Building Improvements	Furniture, Fixtures and Equipment	Infrastructure	Construction in Progress	Total
General Government- Legislative and executive	\$3,342,903	\$15,122,270	\$11,033,583	\$0	\$25,615	\$29,524,371
General Government- Judicial	0	6,613,150	726,513	0	8,075,962	15,415,625
Public safety	190,000	13,390,412	16,470,164	0	2,891,050	32,941,626
Public works	110,652	1,108,910	3,940,947	119,978,976	2,850,002	127,989,487
Health	20,000	96,500	79,606	0	965,398	1,161,504
Human Services	0	5,430,625	1,357,444	0	0	6,788,069
Transportation	0	0	1,540,000	0	0	1,540,000
Community Development	0	0	30,092	7,602,708	2,026,508	9,659,308
Total Governmental Funds ' Capital Assets	<u>\$3,663,555</u>	<u>\$41,761,867</u>	<u>\$35,178,349</u>	<u>\$127,581,684</u>	<u>\$16,834,535</u>	<u>\$225,019,990</u>

**CLERMONT COUNTY, OHIO***Capital Assets Used in the Operation of Governmental Funds**Schedule of Changes By Function and Activity**For the year ended December 31, 2003*

Function and Activity	Governmental Funds Capital Assets Jan 1, 2003	Additions	Disposals	Governmental Funds Capital Assets Dec 31, 2003
General Government- Legislative and executive	\$29,150,770	\$696,418	\$322,817	\$29,524,371
General Government- Judicial	8,966,494	6,449,131	0	15,415,625
Public Safety	30,939,567	2,090,755	88,694	32,941,628
Public Works	124,101,629	15,916,071	12,028,215	127,989,485
Health	265,421	910,083	14,000	1,161,504
Human Services	6,780,004	30,297	22,232	6,788,069
Transportation	1,364,648	175,352	0	1,540,000
Community Development	8,785,226	7,571,430	6,697,348	9,659,308
Total Governmental Funds' Capital Assets	<u>\$210,353,759</u>	<u>\$33,839,537</u>	<u>\$19,173,306</u>	<u>\$225,019,990</u>

**CLERMONT COUNTY, OHIO***Capital Assets Used in the Operation of Governmental Funds**Capital Assets by Source**December 31, 2003*

Governmental Funds Fixed Assets:	
Land	\$3,663,555
Building, structures, and improvements	41,761,867
Furniture, fixtures and equipment	35,178,349
Infrastructure	127,581,684
Construction in progress	<u>16,834,535</u>
Total Governmental Funds' Capital Assets	<u>\$225,019,990</u>

Investment in Governmental funds' capital assets by source:	
General fund revenues	\$29,859,067
Special revenue fund revenues	19,393,097
Capital projects	175,540,026
Donations	<u>227,800</u>
Total Investment in Governmental Funds' Capital Assets	<u>\$225,019,990</u>

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## **STATISTICAL SECTION**



Table 1  
Clermont County, Ohio  
General Governmental Expenditures by Function (1)  
Last Ten Years

Year	General Government	Public Safety	Public Works	Health	Human Services	Community Development	Transportation	Intergovernmental	Capital Outlay	Debt Service	Total
1994	\$16,883,516	\$11,318,481	\$5,611,959	\$719,736	\$18,763,193	\$725,503	\$0	\$0	\$10,610,381	\$3,825,791	\$68,458,560
1995	16,881,666	11,795,945	6,363,133	847,393	19,437,933	1,131,309	0	0	7,554,911	3,879,082	67,891,372
1996	19,427,561	12,622,604	7,763,303	984,608	20,512,803	259,290	0	1,231,739 <sup>2</sup>	4,585,807	3,840,562	71,228,277
1997	20,666,061	14,727,727	7,983,786	1,093,465	21,549,629	463,146	374,532 <sup>1</sup>	997,862	8,039,506	3,999,467	79,895,182
1998	19,024,351	15,444,389	7,163,314	795,335	21,548,579	325,415	1,990,223	948,617	3,602,149	4,081,873	74,924,245
1999	20,875,073	16,312,871	7,369,289	792,814	23,153,957	455,270	1,577,827	1,081,659	9,684,993	4,122,529	85,426,282
2000	20,776,044	17,579,375	8,355,342	684,306	24,475,887	485,033	1,951,308	2,809,966	11,886,127	4,941,534	93,944,922
2001	23,469,382	19,597,964	8,483,972	824,629	25,854,986	866,448	1,525,157	1,482,661	10,111,738	5,006,454	97,223,391
2002	23,675,662	21,490,260	7,982,618	821,758	28,152,379	321,188	1,875,182	2,066,421	11,604,147	5,979,945	103,969,560
2003	24,302,647	22,345,014	10,534,697	818,670	29,793,456	45,377	1,788,971	2,229,214	14,961,652	6,086,213	112,905,911

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds

<sup>1</sup> 1st year of change in reporting entity

<sup>2</sup> 1st year of change in accounting principle

Government-Wide Expenses by Function - Governmental Activities  
Last Four Years

Year	General Government	Public Safety	Public Works	Health	Human Services	Community Development	Transportation	Interest and Fiscal Charges	Total
2000	\$22,912,374	\$18,207,672	\$8,258,016	\$684,141	\$24,587,506	\$3,302,491	\$2,090,458	\$2,321,642	\$82,364,300
2001	26,409,622	22,853,430	9,714,271	759,914	25,862,996	2,512,442	1,190,463	1,985,351	91,288,489
2002	26,983,260	22,540,989	7,155,162	780,820	28,314,617	2,548,204	1,671,387	2,309,295	92,303,734
2003	28,444,837	24,310,632	13,454,860	840,128	29,851,533	3,292,995	1,767,427	2,546,741	104,509,153

Source: Clermont County Auditor

Note: 1st year of change in accounting principle

Table 2  
Clermont County, Ohio  
General Governmental Revenues by Source (1)  
Last Ten Years

Year	All Taxes	Charges For Services	Licenses And Permits	Fines And Forfeiture	Inter-governmental	Special Assessment	Investment Earnings	Net Increase (Decrease) in Fair Value	All Other Revenue	Total
1994	\$23,235,030	\$8,812,888	\$1,134,159	\$829,612	\$24,171,446	\$361,442	\$2,521,586	\$0	\$2,146,755	\$63,212,918
1995	24,740,903	8,558,905	1,355,924	1,209,324	24,468,617	271,970	2,822,991	0	1,377,071	64,805,705
1996	26,162,781	9,276,690	1,236,064	1,307,644	26,045,080	273,301	2,956,795	0	2,630,399	69,888,754
1997	28,559,276	11,108,794	1,111,566	1,358,463	29,894,228	289,375	2,826,941	0	3,951,641	79,100,284
1998	29,834,519	12,486,913	1,191,080	1,632,510	28,585,751	427,187	3,657,144	433,668 <sup>1</sup>	3,352,515	81,601,287
1999	31,556,484	11,779,888	1,247,468	1,836,134	34,219,949	440,008	4,027,809	(1,510,094)	2,857,999	86,455,645
2000	31,626,636	12,601,113	1,282,523	1,722,864	33,456,987	588,124	4,897,257	1,536,478	2,334,353	90,046,335
2001	34,379,497	15,055,761	1,295,919	1,575,449	39,273,256	612,310	5,158,257	687,011	5,594,396	103,631,856
2002	38,193,082	16,427,657	1,354,799	1,895,526	40,978,399	567,484	4,611,656	(350,450)	1,213,181	104,891,334
2003	38,277,066	16,299,004	1,551,201	1,817,342	43,034,581	867,055	3,058,159	(1,008,203)	1,903,417	105,799,622

(1) Includes General Fund, Special Revenue Funds, Debt Services, Capital Project Funds

<sup>1</sup> 1st year of change in accounting principle

Government-Wide Revenue - Governmental Activities  
Last Four Years

Year	Program Revenues			General Revenue		
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Grants and Contributions		Total
				Not Restricted To Specific Programs	Unrestricted Investment Earnings	
2000	\$16,891,151	\$25,822,996	\$10,287,243	\$33,327,432	\$6,409,374	\$98,922,757
2001	19,273,713	29,824,261	3,306,780	34,552,528	5,817,336	103,181,986
2002	21,418,509	30,834,937	5,459,628	36,815,713	4,156,791	105,757,518
2003	22,859,265	34,308,860	5,468,069	36,200,145	1,944,506	106,921,912

Source: Clermont County Auditor

Note: 1st year of change in accounting principle



Table 3  
**Clermont County, Ohio**  
 General Governmental Tax Revenue By Source (1)  
 Last Ten Years

Collection Year	General Property Tax	Tangible Personal Tax	County Sales Tax	Permissive			Total
				Manufactured Home Tax	Motor Vehicle Tax	County Lodging	
1994	\$9,202,629	\$901,699	\$11,715,205	\$98,936	\$1,167,624	\$148,937	\$23,235,030
1995	9,503,873	981,864	12,911,511	103,877	1,102,320	137,458	24,740,903
1996	9,480,258	1,186,446	14,013,612	98,841	1,209,669	173,955	26,162,781
1997	11,032,203	1,105,881	14,878,578	84,839	1,264,763	193,012	28,559,276
1998	11,557,529	1,127,458	15,627,874	109,877	1,219,574	192,207	29,834,519
1999	11,935,649	968,449	17,114,554	87,073	1,237,692	213,067	31,556,484
2000	12,594,148	853,558	16,552,528	91,020	1,271,085	264,297	31,626,636
2001	12,863,893	941,126	18,852,315	90,597	1,326,168	305,398	34,379,497
2002	14,970,416	1,139,345	19,513,566	204,776	2,041,556	323,423	38,193,082
2003	14,885,308	934,540	19,819,591	122,752	2,071,184	443,691	38,277,066

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds

Source: Clermont County Auditor

Table 4  
**Clermont County, Ohio**  
*Property Tax Levies and Collections-Real, Utility and Tangible Taxes*  
*Last Ten Years*

Collection Year	Current Taxes Levied	Current Taxes Collected	Percent Collected	Delinquent Tax Collections	Percent of Total	
					Collections to Current Tax Levy	Total Taxes Collected
1994	\$15,960,274	\$15,578,638	97.61	\$470,474	100.56	\$16,049,112
1995	16,443,232	16,186,020	98.44	596,616	102.06	16,782,636
1996	17,773,775	17,299,215	97.33	354,484	99.32	17,653,699
1997	18,950,477	18,363,919	96.90	355,936	98.78	18,719,855
1998	19,427,368	18,977,753	97.69	668,180	101.13	19,645,933
1999	19,956,008	19,402,173	97.22	518,947	99.83	19,921,120
2000	20,810,509	20,120,975	96.69	553,050	99.34	20,674,025
2001	21,173,444	20,547,474	97.04	560,799	99.69	21,108,273
2002	21,833,074	21,075,908	96.53	602,250	99.29	21,678,158
2003	21,763,491	21,097,568	96.94	1,059,047	101.81	22,156,615

(1) Includes all tax rates levied County-wide. Refer to: "Note G- Receivables" in the Notes to the Financial Statements, and "Table 9-Property Tax Rates - Direct and Overlapping Governments" in this section.

Source: Clermont County Auditor

Table 5  
**Clermont County, Ohio**  
**Assessed and Estimated Actual Value of Taxable Property(1)**  
**Last Ten Years**  
**(Amounts in 000'S)**

Collection Year	Real Property (2)		Personal Property (3)		Public Utility (3)		Totals		Assessed Value As a % of Estimated Actual Value
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	
1995	\$1,700,476	\$4,858,503	\$178,445	\$713,780	\$607,227	\$607,227	\$2,486,148	\$6,179,510	40.23%
1996	1,773,497	5,067,134	181,160	724,640	606,328	606,328	2,560,985	6,398,102	40.03%
1997	2,100,231	6,000,660	192,391	769,564	608,549	608,549	2,901,171	7,378,773	39.32%
1998	2,170,660	6,201,886	208,672	834,688	606,183	606,183	2,985,515	7,642,757	39.06%
1999	2,254,672	6,441,920	208,217	832,868	608,783	608,783	3,071,672	7,883,571	38.96%
2000	2,539,515	7,255,757	219,511	878,044	567,280	567,280	3,326,306	8,701,081	38.23%
2001	2,636,426	7,532,646	190,220	760,880	540,820	540,820	3,367,466	8,834,346	38.12%
2002	2,750,064	7,857,326	199,683	798,732	262,596	262,596	3,212,343	8,918,654	36.02%
2003	3,136,913	8,962,609	201,346	805,384	276,545	276,545	3,614,804	10,044,538	35.99%
2004	3,239,816	9,256,617	192,937	771,748	276,812	276,812	3,709,565	10,305,177	36.00%

(1) Exempt properties are not included in the estimated actual values nor in assessed valuations.

(2) The estimated actual values for real estate property were derived by 35% of the assessed values on the real estate property. Refer to: "Note G-Receiveables" in the Financial Statements.

(3) The estimated actual values for personal property and public utility were derived from an average rate of the assessed values (the average rate consists of varying rates for manufacturing equipment, inventory and other equipment for the ten years presented).

Source: Clermont County Auditor

Table 6  
**Clermont County, Ohio**  
*Special Assessment Billings and Collections*  
*Last Ten Years*

<b>Year</b>	<b>Total Assessment Billings</b>	<b>Total Assessments Collected</b>
1994	\$362,888	\$349,132
1995	309,588	295,433
1996	266,785	238,332
1997	427,400	261,436
1998	660,584	427,187
1999	451,843	440,008
2000	677,098	588,124
2001	655,348	612,310
2002	622,577	567,484
2003	663,194	867,055

Source: Clermont County Auditor

Table 7  
**Clermont County, Ohio**  
 Ratio of Net General Bonded Debt To Assessed  
 Value and Net Bonded Debt Per Capita  
 Last Ten Years  
 (Dollar Amounts in 000's)

Year	Population (i)	Assessed Values (1) (ii)	Gross Bonded Debt (ii)	Less Debt Service Funds (ii)	Net Bonded Debt (ii)	Ratio Of Net General Bonded Debt to Assessed Value	Per Capita Net General Bonded Debt
1994	164,050	\$2,486,148	\$34,955	\$84	\$34,871	1.40	\$212.56
1995	166,860	2,560,985	33,165	79	33,086	1.29	198.29
1996	170,450	2,901,171	31,315	23	31,292	1.08	183.58
1997	172,010	2,985,515	29,395	25	29,370	0.98	170.75
1998	174,320	3,071,672	27,405	18	27,387	0.89	157.11
1999	175,960	3,326,306	31,825	19	31,806	0.96	180.76
2000	182,660	3,367,466	29,230	20	29,210	0.87	159.91
2001	184,320	3,212,343	43,950	25	43,925	1.37	238.31
2002	184,030	3,614,804	40,695	23	40,672	1.13	221.01
2003	191,000	3,709,565	41,735	93	41,642	1.12	218.02

(1) Refer to "Table 5-Assessed and Estimated Actual Value of Taxable Property" in this section.

Source: (i) Clermont County Chamber of Commerce  
 (ii) Clermont County Auditor

Table 8  
**Clermont County, Ohio**  
 Computation of Legal Debt Margin  
 December 31, 2003

<b>Direct legal debt limitation (1):</b>		
3.0% of the first \$100,000,000 Assessed Valuation		\$3,000,000
1.5% in excess of \$100,000,000-not in excess of \$300,000,000		3,000,000
2.5% in the amount in excess of \$300,000,000		<u>82,870,109</u>
Total direct legal debt limitation (2)		88,870,109
Total of all county debt outstanding(3)	\$121,724,000	
Less:		
Special Assessment Bonds (self supporting)(4)	\$3,624,000	
Mortgage Revenue Bonds	76,365,000	
Other exempt debt:		
1992 Correctional Facility	1,320,000	
2003 Building, Road Improvement and Refunding	14,950,000	
2001 Correctional Facility	<u>2,075,000</u>	
Total exempt debt:		98,334,000
Less:		
Available funds in debt service funds as of December 31, 2003		<u>92,627</u>
Total net indebtedness (voted and unvoted) subject to direct debt limitation		<u>23,297,373</u>
<b>Direct Legal Debt Margin</b>		<b><u>\$65,572,736</u></b>
Unvoted debt limitation (subject to 1% of County assessed valuation)	\$36,148,044	
Total Net indebtedness (unvoted-subject to the 1% legal debt limitation)	<u>23,297,373</u>	
<b>Total unvoted legal debt margin:</b>		<b><u>\$12,850,671</u></b>

(1) Direct legal debt limitation is outlined by the Ohio Revised Code, 133.01 and 133.07

(2) Refer to "Table 5 - Assessed and Estimated Actual Value of Taxable Property" in this section.

(3) Total debt outstanding does not include long-term note obligation payable to the Ohio Water Development Authority and the Ohio Public Works Commission. These obligations are disclosed in Note I- Long-Term Debt and Other Obligations" in the Notes to the Financial Statements.

(4) Refer to Note I- Long-Term Debt and Other Obligations" in the Notes to the Financial Statements.

Source: Clermont County Auditor

Table 9  
**Clermont County, Ohio**  
Property Tax Rates - Direct and Overlapping Governments (1)  
Per \$1000 of Assessed Value  
Last Ten Years

County Entities	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General	\$2.20	\$2.20	\$2.20	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10
Senior Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.10	1.10	1.10
Children Services	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Courthouse-Admin. Bldg										
County Capital Construction	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total County Entities	4.90	4.90	4.90	4.90	4.90	4.90	4.90	5.00	5.00	5.00
<b>Other Entities</b>										
Bd of Mental Retardation	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	2.50	2.50
Comm Mental Health Board	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Park District	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Clermont Cty. Pub. Library	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Other Entities	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	3.60	3.60
Total County-Wide	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.35	8.60	8.60
<b>School Districts</b>										
Batavia	49.00	49.00	48.40	48.40	48.40	48.40	48.40	48.40	48.10	48.10
Bethel-Tate	34.10	34.10	33.70	33.70	33.70	38.54	38.64	38.44	38.44	38.44
Clermont-Northeastern	36.90	36.90	36.00	36.50	36.50	36.50	36.50	36.00	36.00	36.00
Felicity-Franklin	31.30	34.66	33.30	33.30	33.30	33.30	33.30	34.90	34.90	34.90
Goshen	30.40	30.40	30.40	26.40	26.40	30.40	30.40	30.40	30.40	30.40
Milford	57.50	57.50	54.52	59.10	59.10	59.10	59.10	63.20	63.20	69.10
New Richmond	32.60	32.60	32.40	32.40	32.45	32.45	32.55	32.65	32.55	32.55
West Clermont	49.45	49.45	49.15	49.15	49.15	49.15	49.15	49.15	49.15	49.15
Williamsburg	41.80	47.80	45.60	45.60	45.60	45.60	45.00	45.00	44.60	44.60
U. S. Grant Vocational	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10

(Continued)

(1) Property tax rates are determined by a combination of the county- wide tax rate and the applicable tax rates for the school district, township, municipality or other districts in which a given property is located

Source: Clermont County Auditor

Table 9  
**Clermont County, Ohio**  
Property Tax Rates - Direct and Overlapping Governments (1)  
Per \$1000 of Assessed Value  
Last Ten Years  
(Continued)

Out-Of-County School Districts	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Blanchester	\$33.90	\$33.90	\$33.45	\$33.45	\$33.45	\$36.04	\$36.04	\$35.94	35.94	35.94
Forest Hills	48.98	48.70	50.84	50.84	50.84	50.63	50.44	50.44	55.34	55.34
Great Oaks Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Little Miami	43.04	42.79	42.54	47.75	46.98	45.44	44.34	43.89	47.44	45.94
Loveland	55.27	54.58	59.68	59.12	63.75	63.33	69.68	69.68	69.68	69.43
Southern Hills Vocational	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80
Warren County Vocational	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Western Brown	19.40	19.40	19.40	24.60	24.60	24.60	24.60	23.10	23.10	23.10
<b>Corporations</b>										
Amelia	17.30	18.80	18.80	18.80	17.80	18.90	17.00	17.00	17.00	19.70
Batavia	5.60	6.80	6.50	6.50	6.50	6.50	6.50	1.90	1.80	1.80
Bethel	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Chilo	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Felicity	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	15.00
Milford	14.80	14.80	14.30	14.30	14.30	14.30	13.70	13.70	13.70	13.70
Moscow	2.50	2.50	4.54	4.54	4.54	4.54	5.04	5.04	3.50	3.50
Neville	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Richmond	15.00	15.00	15.00	15.00	15.00	15.00	16.50	16.50	16.50	21.50
Newtonsville	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Owensville	11.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10
Williamsburg	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
<b>Out-Of-County Corporations</b>										
Loveland	9.91	9.91	9.55	9.55	9.55	9.55	9.55	11.55	11.55	11.55
<b>Townships</b>										
Batavia	6.90	6.90	6.90	6.90	6.90	6.90	6.90	2.40	2.40	2.40
Franklin	9.20	9.20	9.20	9.20	9.20	9.20	12.20	14.20	14.20	14.20
Goshen	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	21.60	21.60
Jackson	8.40	8.40	8.40	8.40	10.40	10.40	10.40	10.40	10.40	10.40
Miami	17.10	18.60	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11
Monroe	10.60	10.60	10.60	16.60	16.60	10.60	10.60	10.60	10.60	16.10
Ohio	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60
Pierce	11.30	11.30	13.30	14.00	14.00	14.00	16.90	16.90	16.90	16.90
Stonelick	8.10	8.10	8.10	8.10	10.60	10.60	10.60	10.60	10.60	10.60
Tate	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	12.80
Union	15.50	17.40	17.40	17.40	17.40	17.40	17.40	17.40	21.40	21.40
Washington	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Wayne	8.70	8.70	8.70	8.70	10.70	10.70	10.70	12.70	12.70	12.70
Williamsburg	5.80	5.80	5.80	5.80	5.80	8.70	8.70	8.70	8.70	8.70
<b>Other Districts</b>										
Bethel-Tate Jnt. Amb.	3.30	3.30	5.30	5.30	6.60	6.60	6.60	6.60	6.60	
Central Joint Fire & EMS								5.50	5.50	5.50

(1) Property tax rates are determined by a combination of the county- wide tax rate and the applicable tax rates for the school district, township, municipality or other districts in which a given property is located

Source: Clermont County Auditor



**Table 10**  
**Clermont County, Ohio**  
*Computation of Direct and Overlapping Debt*  
*December 31, 2003*

Political Subdivision	General Obligation Debt (1)	Percentage Applicable To County (2)	Amount Applicable To Clermont County
Clermont County	\$41,735,000	100.00%	\$41,735,000
Villages wholly within County	224,000	100.00	224,000
Townships wholly within County	9,752,268	100.00	9,752,268
School Districts wholly within County	22,004,701	100.00	22,004,701
Special Districts wholly within County	200,000	100.00	200,000
Total within County	73,915,969		73,915,969
Cities with overlapping			
City of Loveland	6,990,992	12.43	868,980
City of Milford	3,160,000	99.03	3,129,348
School Districts with overlapping			
Bethel-Tate Local S. D.	5,556,000	99.91	5,551,000
Blanchester Local S. D.	4,379,000	14.10	617,439
Clermont Northeastern Local S. D.	3,829,985	99.65	3,816,580
Forest Hills Local S. D.	21,660,000	0.00	0
Goshen Local S. D.	6,225,000	92.90	5,783,025
Loveland City S. D.	35,895,734	43.77	15,711,563
Little Miami Local S. D.	15,871,639	0.20	31,743
Milford Exempted Village S. D.	42,784,018	99.84	42,715,564
Western Brown Local S. D.	6,197,000	0.00	0
Williamsburg Local S. D.	3,400,000	98.78	3,358,520
Great Oaks J. V. S. D.	6,240,000	17.16	1,070,784
Total overlapping	162,189,368		82,654,546
Grand Total	\$236,105,337		\$156,570,515

(1) Includes general obligation debt which is being repaid through general property taxes.

(2) Percent applicable to Clermont County calculated using assessed valuation of taxing district in Clermont County divided by total assessed valuation of taxing district.

Source: Ohio Municipal Advisory Council  
Clermont County Auditor's Office

Table 11

**Clermont County, Ohio**

Ratio of Annual Debt Service Expenditures For General  
Obligation Bonded Debt To Total General Governmental Expenditures  
Last Ten Years

Year	Principal	Interest & Fiscal Charges	Cost of Issuance	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures (Percent)
1994	\$1,871,000	\$1,954,791	\$0	\$3,825,791	\$68,458,560	5.59
1995	1,995,926	1,883,156	0	3,879,082	67,891,372	5.71
1996	2,036,500	1,804,062	0	3,840,562	71,228,277	5.39
1997	2,113,000	1,886,467	0	3,999,467	79,895,181	5.01
1998	2,242,000	1,839,873	0	4,081,873	74,924,245	5.45
1999	2,378,000	1,744,529	0	4,122,529	85,426,282	4.83
2000	2,919,000	2,022,534	0	4,941,534	93,944,922	5.26
2001	3,080,000	1,926,454	0	5,006,454	97,223,391	5.15
2002	3,263,938	2,057,999	0	5,321,937	103,969,560	5.12
2003	3,422,876	1,856,048	162,438	5,441,362	112,905,911	4.82

(1) Refer to "Table 1 - General Governmental Expenditures by Function" in this section

Source: Clermont County Auditor

**Table 12**  
**Clermont County, Ohio**  
Demographic Statistics and Average  
Unemployment Rates  
Last Ten Years

Year	Population (1)	Per Capita Income (1)	Median Age (1)	K-12 School Enrollment (2)
1994	164,050	\$13,781	32.46	28,616
1995	166,860	18,854	32.79	28,753
1996	170,450	18,349	32.93	28,874
1997	172,010	19,290	33.27	28,739
1998	174,320	22,530	33.52	28,384
1999	175,960	26,340	33.66	28,363
2000	182,660	25,707	33.87	28,145
2001	184,320	28,255	33.75	27,974
2002	184,030	29,997	35.30	27,874
2003	191,000	33,000	35.82	28,150

**Unemployment Rates (3)**

Year	Clermont County	State of Ohio	United States
1994	5.1	5.5	6.1
1995	4.3	4.8	5.6
1996	4.2	4.8	5.0
1997	4.1	4.6	4.9
1998	3.5	4.3	4.5
1999	3.7	4.3	4.2
2000	3.3	3.7	3.8
2001	4.1	4.5	5.4
2002	4.5	5.2	5.7
2003	6.3	7.0	6.3

Sources: (1) Clermont Chamber of Commerce  
(2) Clermont County Board of Education  
(3) Ohio Department of Job & Family Services

Table 13  
**Clermont County, Ohio**  
 Property Value, Construction, and Bank Deposits  
 Last Ten Years

Collection Year	New Construction			Property Value			
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Bank Deposit	Agricultural/ Residential	Commercial/ Industrial	Tax Exempt
1995	\$50,241,400	\$33,893,420	\$84,134,820	\$28,834,000	\$1,246,576,430	\$453,899,470	\$150,014,300
1996	61,940,890	12,877,300	74,818,190	36,236,000	1,321,229,310	452,267,960	169,017,090
1997	56,478,370	24,049,280	80,527,650	39,399,000	1,563,708,690	536,522,210	205,657,080
1998	57,614,230	17,779,610	75,393,840	41,579,000	1,624,289,360	546,084,920	222,928,860
1999	59,526,900	14,064,450	73,591,350	46,728,000	1,695,593,440	559,079,530	233,153,130
2000	72,818,450	15,059,050	87,877,500	48,255,000	1,951,631,070	587,557,880	249,856,930
2001	70,248,830	12,748,640	82,997,470	66,879,000	2,033,919,770	602,506,050	267,642,270
2002	71,593,850	17,703,050	89,296,900	81,698,000	2,120,798,610	629,264,860	280,817,420
2003	81,695,190	17,414,720	99,109,910	91,192,000	2,429,472,690	707,440,990	330,700,900
2004	78,516,600	24,199,810	102,716,410	102,738,000	2,519,647,700	719,922,470	336,463,400

Sources: Clermont County Auditor's Office  
 Bank Deposit information from Federal Reserve Board

Table 14  
**Clermont County, Ohio**  
 Schedule of Enterprise Revenue Bond Coverage  
 Last Ten Years

	Year	Revenue (1)	Operating Expenses Excluding Depreciation	Net Revenue Available Debt Service	Revenue Bond Debt Service Requirement	Coverage	
						Excluding System Capacity Charges	Including System Capacity Charges (3)
<b>Sewer Fund Bond Coverage</b>	1994	\$12,785,640	\$7,208,206	\$5,577,434	\$3,565,363	156	228
	1995	12,569,850	6,883,465	5,686,385	3,560,303	160	235
	1996	14,164,151	6,883,465	7,280,686	3,567,088	204	273
	1997	14,859,656	7,018,937	7,840,719	3,567,087	220	293
	1998	15,416,884	6,659,675	8,757,209	3,568,150	245	318
	1999	15,141,262	6,307,101	8,834,161	3,567,600	248	338
	2000	17,356,125	6,135,561	11,220,564	3,569,140	314	398
	2001	15,940,686	5,838,336	10,102,350	4,062,910	249	322
	2002	15,254,665	6,168,849	9,085,816	3,930,261	231	324
	2003	14,146,024	5,492,641	8,653,383	3,563,980	243	316
<b>Water Fund Bond Coverage</b>	1994	\$10,237,798	\$3,747,113	\$6,490,685	\$4,160,087	156	196
	1995	11,841,275	4,368,928	7,472,347	4,157,708	180	219
	1996	11,278,499	4,978,167	6,300,332	4,157,707	152	188
	1997	12,039,971	5,145,581	6,894,390	4,155,162	166	202
	1998	12,972,984	5,291,643	7,681,341	4,156,962	185	224
	1999	13,436,745	5,462,628	7,974,117	4,157,408	192	240
	2000	13,104,773	5,267,309	7,837,464	4,159,467	188	235
	2001	12,768,386	4,797,644	7,970,742	4,156,413	192	236
	2002	13,141,743	5,180,884	7,960,859	4,156,412	192	232
	2003	11,631,114	5,033,156	6,597,958	4,155,993	159	211

(1) Including investment income

(2) System capacity charges are one-time fees to join the existing system, and are accounted for as capital contributions

(3) It is the opinion of the County's bond counsel that system capacity charges should be included in the calculation of the Enterprise Revenue Bond Coverage

Table 15  
**Clermont County, Ohio**  
Principal Property Taxpayers  
December 31, 2003

<b>Taxpayers</b>	<b>Real Estate Assessed Valuation</b>	<b>Personal Property Assessed Valuation</b>	<b>Total Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Cinergy Corporation	\$38,422,230	\$164,358,150	\$202,780,380	5.4664%
Dayton Power & Light	16,721,020	30,968,930	47,689,950	1.2856%
Columbus & Southern	13,566,430	32,372,700	45,939,130	1.2384%
Cinti Bell Telephone	4,220,210	24,968,860	29,189,070	0.7869%
ZF Batavia LLC	13,648,920	10,839,350	24,488,270	0.6601%
Eastgate Company	17,633,110	0	17,633,110	0.4753%
Meijer Stores	7,677,500	4,736,350	12,413,850	0.3346%
Acquiport Milford LLC	9,406,940	0	9,406,940	0.2536%
Amerishop Biggs Place	7,175,000	1,492,420	8,667,420	0.2337%
Drees Company	6,316,840	0	6,316,840	0.1703%
Totals	<u>\$134,788,200</u>	<u>\$269,736,760</u>	<u>\$404,524,960</u>	<u>12.5928%</u>

Source: Clermont County Auditor

**Table 16**  
**Clermont County, Ohio**  
*Ten Largest Employers*  
*December 31, 2003*

<b>Firm</b>	<b>Number of Employees</b>
Batavia Transmissions LLC	1,401
Clermont County	1,307
3M Precision Optics	1,175
The Midland Company	1,100
West Clermont Local School District	865
Milford Exempted Village School District	799
International Paper	750
Electronic Data Systems	660
Milacron	650
Mercy Hospital Clermont	620

Source: Clermont County Chamber of Commerce

Table 17  
**Clermont County**  
*Salaries of Principal Officials*  
 December 31, 2003

<u>Elected Officials</u>	
<u>Office</u>	<u>Salary</u>
County Commissioners	\$58,172
Auditor	63,560
Clerk of Courts	67,869
Coroner	45,395
Engineer	84,387
Prosecuting Attorney	62,306
Recorder	50,735
Sheriff	74,928
Treasurer	54,295
<u>Appointed Officials</u>	
Executive Director Clermont County Community Mental Health Board	94,189
Superintendent of Clermont County Board of Mental Retardation	78,000
Director Department of Job and Family Services	92,643
County Administrator Board of County Commissioners	100,102
Sanitary Engineer Sewer District	98,262
Commissioner Clermont County Health District	77,206
Director, Board of Elections	47,025
Director, Veterans Services	49,650
Source: Clermont County Auditor	



**Table 18**  
**Clermont County**  
*Surety Bond Coverage-Variou s Officials*  
*December 31, 2003*

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<u>Office</u>	<u>Bond Coverage</u>
Auditor	\$20,000
Clerk of Courts	10,000
Coroner	14,000
County Commissioners (1)	15,000
County Commissioners (2)	10,000
Engineer	10,000
Prosecuting Attorney	75,000
Recorder	10,000
Sheriff	82,000
Treasurer	100,000

Source: Clermont County Auditor

Table 19  
**Clermont County, Ohio**  
 Miscellaneous Statistics  
 December 31, 2003

**Form of Government: (1)**

Board of County Commissioners  
 County Seat: Batavia, Ohio  
 Area: 470 Square Miles

**Population (3) - 191,000**

1980 - 1997 Growth Rate: 1.73%  
 1997 - 2005 Growth Rate Estimate: 1.77%\*  
 \*3rd in Growth for Ohio Counties

**Land Use: (1)**

Urban 65%  
 Agriculture 22%  
 Other 13%

**Libraries: (1)**

Clermont County Public Library  
 10 Branches

**Medical Care: (2)**

Hospitals in County 1  
 Beds 157  
  
 Physicians 115  
  
 Nursing Homes 8  
 Beds 978

**Communications, Clermont County: (1)**

Radio Stations 1  
 Weekly County Newspapers 2  
 Weekly Community Newspapers 3

**State Parks: (1)**

Facilities 2  
 Acreage 1,644

**Industries: (2)**

Industry	No. of Workers
Construction	6,776
Manufacturing	8,755
Transportation and Utilities	1,958
Wholesale & retail trade	13,693
Finance, Insurance and Real Estate	7,721
Services	18,663
State and Local Government	6,803

**Transportation: (2)**

Highways:	Amount	Miles
U. S. Routes	3	45
State Routes	17	208
Interstate Routes	1	14

**Railroads:**

RR Lines through County	2
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**Air:**

Commercial Airports:  
 Greater Cincinnati International  
 30 miles from Batavia

Clermont County Airport	
Daily Arrivals/Departures	84
Number of Runways	2

Sources: (1) Clermont County Auditor  
 (2) Ohio Department of Development  
 (3) Clermont Chamber of Commerce